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Title: **Lockheed Martin Aeronautics Company and International Association of Machinists and Aerospace Workers (IAM), AFL-CIO Aeronautical Industrial District Lodge 776 (2003)**

K#: **4073**

Employer Name: **Lockheed Martin Aeronautics Company**

Location: **TX Ft Worth**

Union: **International Association of Machinists and Aerospace Workers (IAM), AFL-CIO**

Local: **776**

SIC: **3721**

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Sector: **P**

Number of Workers: **4400**

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AGREEMENT

Between

LOCKHEED MARTIN
Aeronautics Company – Fort Worth

and

International Association
of Machinists and Aerospace Workers
AFL-CIO

and

Aeronautical-Industrial District
Lodge 776
(Production and Maintenance Unit)

Effective
28 April 2003 - 9 April 2006

240pp



9/24/04

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1
2
3
4
5

ix

1 PREAMBLE

2
3 This Agreement made and entered into this
4 28th day of April 2003 by and between
5 Lockheed Martin Aeronautics Company –
6 Fort Worth, hereinafter called the
7 "Company," and the International Association
8 of Machinists and Aerospace Workers, AFL-
9 CIO, and Aeronautical Industrial District
10 Lodge 776 (Production and Maintenance
11 Unit), hereinafter called the "Union."

12
13 ARTICLE ONE
14 RECOGNITION

15
16 Section 1. Pursuant to Sec. 9 (a) of the Labor
17 Management Relations Act of 1947, the
18 Company recognizes the Union for purposes
19 of collective bargaining as the exclusive
20 representative of all hourly rated employees (1)
21 in the "production and maintenance" unit (#1)
22 as this unit was defined by the National Labor
23 Relations Board in Case No. 16-R-1724 in its
24 Decision and Direction of Election dated
25 September 20, 1946, and its Decisions dated
26 December 2, 1946, and February 7, 1947, and
27 as amended on May 23, 1947; (2) in the
28 "timekeepers" unit (#2) as this unit was defined
29 by the National Labor Relations Board in Case
30 No. 16-RC-426 in its Decision and Direction of
31 Election dated January 11, 1950, and its
32 Decision dated February 2, 1950; (3) in the
33 "installation planners" unit (#4) as this unit was

1 defined by the National Labor Relations Board
2 in Case No. 16-RC-502 in its Decision and
3 Direction of Election dated March 16, 1950,
4 and its Decision dated March 31, 1950, and as
5 it was modified in its Decision dated February
6 24, 1953, in Case No. 16-RC-1153; (4)
7 recognizes the Union as the exclusive
8 representative of all "Inspectors" employed by
9 the Company in the "inspectors" unit (#3) as
10 this unit was defined by the National Labor
11 Relations Board in Case No. 16-RC-427 in its
12 Decision and Direction of Election dated
13 January 11, 1950, and its Decision dated
14 February 2, 1950, and (5) in the "tooling
15 reproduction" unit as this unit was agreed to
16 in the Agreement for Consent Election
17 entered into by the parties July 12, 1957, in
18 National Labor Relations Board Case No. 16-
19 RC-2135.

20
21 Section 2. For purposes of this Agreement,
22 the term "employee" shall include all hourly
23 rated production and maintenance
24 employees, timekeepers, inspectors, and
25 tooling reproduction technicians of the
26 Company, including all confidential
27 employees performing manual labor, tool
28 designers performing manual labor, tool
29 service liaison men, tooling inspectors,
30 template inspectors, leadmen of the
31 foregoing classifications, department clerks
32 employed in the factory in connection with
33 production and maintenance records.

1 but excluding

2
3 maintenance electricians, persons certified
4 by the Board for representation by other
5 bargaining agents, and any other persons
6 specifically excluded by the Board in the
7 cases referred to in Section 1 of this Article,
8 which includes without limitation thereby,
9 accounting and cost employees, accounting
10 section heads, confidential clerks,
11 department clerks employed in general office
12 and general foremen's offices, and parts
13 plant office, draftsmen, engineers, general
14 office employees, chief inspector, medical
15 employees, time clerks, tool clerks, tool
16 designers, tool liaison employees, tool
17 design checkers, tool planners, tooling
18 estimators, tooling processors, technicians,
19 group leaders of excluded classifications,
20 student employees, executive, administrative
21 and professional employees, department
22 heads, assistants to department heads, Plant
23 Protection employees, and supervisory
24 personnel having authority to hire, transfer,
25 suspend, layoff, recall, promote, discharge,
26 assign, reward, or discipline or effectively to
27 recommend such action.

28
29
30 ARTICLE TWO
31 SECURITY

32
33 Section 1. Membership in the Union is not

1 compulsory. Employees have the right to
2 join, not join, maintain, or drop their
3 membership in the Union as they see fit.
4 Neither party shall exert any pressure on or
5 discriminate against an employee as regards
6 such matters.

7
8 Section 2. Each employee in the bargaining
9 unit shall, beginning on the 31st day
10 following the execution of this Agreement or
11 the 31st day following his/her employment,
12 rehire, reinstatement, reemployment, recall,
13 transfer or regression into the bargaining
14 unit, as a condition of continued employment
15 in the bargaining unit, execute and deliver to
16 the Company a payroll deduction
17 authorization as provided for in this Article, or
18 pay directly to the Union an amount of
19 money equal to the Union's regular and usual
20 initiation fee and its regular, uniform and
21 usual monthly dues.

22
23 Section 3. Any employee within the
24 bargaining unit who is required to contribute
25 to the Union as provided for in Section 2 of
26 this Article and who is subsequently
27 transferred or promoted out of the bargaining
28 unit or laid off shall not be subject to any of
29 the provisions of this Article during the period
30 of time such employee remains outside the
31 bargaining unit or on layoff.

1 Section 4. No employee within the bargaining
2 unit shall be required to pay fees or dues
3 covering any period during which the
4 employee was not in the bargaining unit or
5 was not on the Company's active payroll
6 including layoff.

7
8 Section 5. An employee within the bargaining
9 unit shall be considered in good standing for
10 the purposes of this Article when such
11 employee tenders the amount of money
12 equal to the Union's regular and usual
13 initiation fee (due and payable only once per
14 employee without regard to any interruption
15 in service) and its regular, uniform and usual
16 monthly dues to an authorized agent of the
17 Union or through Payroll initiation fees/dues
18 deduction. Upon written demand from the
19 Union, the Company shall terminate any
20 employee within the bargaining unit who fails
21 to tender the sum due the Union under
22 Section 2 of this Article within thirty (30) days
23 from the date such sum is due provided the
24 Union informs the Company and the
25 employee in writing and allows him/her an
26 additional fifteen (15) days after the 30th day
27 of delinquency. If the employee fails to
28 resolve his/her dues delinquency with the
29 Union during this fifteen (15) day period and
30 after notification to the Company by the
31 Union, the Company will terminate the
32 employee effective the end of that payroll
33 period.

1 Section 6. Employees may handle the matter
2 of payment of Union initiation fees/dues
3 directly with the Union. In cases where
4 deductions are made from those who have
5 already paid Union initiation fees/dues, the
6 Union will make refunds directly to such
7 employees.

8
9 Section 7. Deductions shall be made for the
10 accrued regular monthly Union dues of each
11 employee in the bargaining unit for whom the
12 above authorization has been received,
13 beginning with the pay for the first pay period
14 in the month (**but no later than the first full**
15 **pay period in the month**) following receipt
16 of such authorization, provided that sufficient
17 earnings remain to cover Union dues after all
18 deductions required by law are made, and
19 such dues deductions shall continue in like
20 manner monthly thereafter, except as
21 qualified in this Article.

22
23 Accrued dues not deducted in the regular
24 month as provided above shall be deducted
25 as follows:

26
27 (a) At the beginning of each calendar quarter
28 the Union shall furnish the Company a list
29 of names and employee numbers of
30 employees who have authorized the
31 deduction of Union dues and who are in
32 arrears in the payment of such dues for
33 the preceding quarter, specifying on such

1 list the amount of each named
2 employee's arrearage.

- 3
4 (b) After the receipt of such list, the
5 Company shall make a special deduction
6 of Union dues in the amount of the listed
7 arrearage from the pay of each named
8 employee, provided that sufficient
9 earnings remain to cover the dues
10 arrearage after all deductions required by
11 law are made.

12
13 Section 8.

- 14
15 (a) The Authorization for Deduction of Union
16 Dues form set out in subsection (b) of this
17 Section is agreed to by the parties and is
18 made a provision of this Agreement.

- 19
20 (b) At the time this Agreement becomes
21 effective, the parties agree to begin to
22 use the following Dues Deduction
23 Authorization form for all new dues
24 deductions. However, the current Dues
25 Deduction Authorization form shall
26 remain in effect and will be applied in
27 accordance with this section.



1 Section 9. Deductions shall be remitted to the
2 designated Financial Officer of the Union not
3 later than ten (10) days after the deductions
4 are made. The Company shall furnish the
5 designated Financial Officer of the Union
6 monthly with a record of those for whom
7 deductions have been made.

8
9 Section 10. Any dispute arising out of the
10 interpretation or application of this Article, when
11 reduced to writing as a grievance, shall be
12 subject to the Grievance Procedure by initially
13 referring the grievance to Step Three. The
14 grievance thereafter may be processed in
15 accordance with the provisions of Article Seven.

16
17 Section 11. Anything herein to the contrary
18 notwithstanding, an employee shall not be
19 required to become a member of or continue
20 membership in or to pay a sum equal to Union
21 monthly dues, or to continue to pay any sums
22 equal to the monthly Union dues, as a
23 condition of employment, if it is determined that
24 such is unlawful by the NLRB or by any court
25 or administrative body of competent
26 jurisdiction. It is understood and agreed that
27 the Union will defend, save, hold harmless and
28 indemnify the Company from any and all
29 claims, demands, suits or any other forms of
30 liability that shall arise out of the execution,
31 placing in effect or carrying out of the terms of
32 this Article by the Company.

1 ARTICLE THREE
2 JOB CLASSIFICATIONS AND WAGE
3 RATES

4
5 Job Classifications and Wage Rate Schedules

6
7 Section 1. The job descriptions, job
8 evaluations, job evaluation plan, rate ranges
9 and the Glossary of Terms used for the job
10 descriptions agreed upon between the parties
11 and made a part of this Agreement shall
12 remain in effect for the duration of this
13 Agreement, except as new occupations or job
14 classifications may be added under the
15 provisions of Section 2 below.

16
17 New Job Classifications

18
19 Section 2. It is recognized that changing
20 conditions and circumstances may require the
21 establishment of new occupations or job
22 classifications within the collective bargaining
23 unit heretofore defined because of the
24 introduction of new products, changes in
25 equipment, or tooling, or in methods of
26 *manufacturing or materials processed*. Under
27 such circumstances, the Company and Union
28 shall negotiate the descriptions, evaluations
29 and appropriate rate ranges for such new job
30 classifications. Failing to agree, the Union
31 shall have the right to file a grievance general
32 in character over any alleged improper
33 description, evaluation, or rate range of such

1 job classification. Any change in description,
2 evaluation, or rate range determined as a
3 result of the grievance procedure shall be
4 retroactive to the date of filing of such
5 grievance. If the Union does not file a
6 grievance within thirty days after the failure of
7 the parties to agree, the description,
8 evaluation and rate range established by the
9 Company shall remain in effect.

10 11 Job Classification

12
13 Section 3-A. The occupational summary in
14 each of the "A" job descriptions shall be
15 construed to be a brief description of the
16 occupation. Such occupational summary is
17 descriptive of the occupation as a whole and is
18 intended to distinguish that occupation from
19 other occupations. Each occupation is, in turn
20 divided into one or more classifications
21 designated by letters "A", "B", or "C". The
22 statement of the operations, i.e., work
23 requirements in each job description, provides
24 the basis for determining the classification
25 within the occupation when interpreted and
26 applied as hereinafter provided:

- 27
28 (1) In determining the proper job classification
29 for an individual employee under the job
30 descriptions and wage rates, the determi-
31 nation of whether the employee is per-
32 forming the work requirements or work
33 operations set forth in the job description

1 shall be the controlling consideration.
2 Each job description of a classification is
3 to be interpreted and applied in its entirety
4 as a specification of job standards which
5 are definitive of or illustrative of the job re-
6 quirements. Assignment of job classifica-
7 tions shall be made with due regard to
8 work assigned to an employee with the
9 objective of attaining, as far as possible,
10 equal pay for equal work.
11

12 (2) Where work assignments are not
13 adequately nor specifically described,
14 such work assignments shall be appraised
15 and accordingly classified under the most
16 appropriate job description by considering
17 the relative degree of complexity or level
18 of difficulty of said work assignments in
19 comparison with,
20

21 (a) Those assignments described in the
22 Work Performed section of the job
23 descriptions;
24

25 (b) The knowledge and ability required
26 as expressed in the job descriptions.
27

28 (3) Unless otherwise expressly mentioned in
29 the job description, an employee shall not
30 be required to perform all of the work
31 operations described in a job description in
32 order to be eligible for classification
33 thereunder. However, an employee shall

1 not be eligible for classification under a job
2 description by reason of performing an
3 isolated or singular duty described in a job
4 description.

5
6 (4) The normal duties of any employee may
7 include some of the work of related jobs
8 when required.

9
10 (5) An employee is required to perform the
11 work operations, duties and other
12 distinguishing characteristics described in
13 a job description under that degree or
14 amount of supervision or instruction which
15 is considered usual and normal in order to
16 qualify for classification thereunder.

17
18 Section 3-B. Subject to the provisions of this
19 Agreement, an employee who subsequently is
20 regularly assigned to an occupation carrying a
21 lower evaluation may receive no more than the
22 maximum rate established for that job
23 classification during the period of such
24 assignment.

25
26 Section 3-C. An employee will not refuse to
27 perform work assigned to him/her for the
28 reason that such work is not specifically
29 described in the job description of the
30 employee's job classification.

31
32 Section 4-A. By 16 May 2003, each employee
33 on the active payroll in this bargaining unit on

1 27 April 2003 shall receive a Ratification Bonus
2 of one thousand five hundred dollars
3 (\$1500.00), provided that the Proposal for
4 Conclusion of 2003 Negotiations dated 26
5 April 2003 is ratified no later than 27 April
6 2003; otherwise, this Section 4-A shall be
7 void.

8
9 Section 4-B. Effective 28 April 2003, the
10 minimums and maximums of factory labor
11 grades one (1) through fifteen (15) and the
12 minimums and maximums of technical and
13 office labor grades one (1) through fourteen
14 (14) and the base rate of each employee on
15 the active payroll or approved leave of
16 absence shall be increased by four percent
17 (4%) computed to the nearest one cent (1¢)
18 increment.

19
20 Section 4-C. Effective 26 April 2004, the
21 minimums and maximums of factory labor
22 grades one (1) through fifteen (15) and the
23 minimums and maximums of technical and
24 office labor grades one (1) through fourteen
25 (14) and the base rate of each employee on
26 the active payroll or approved leave of
27 absence shall be increased by three percent
28 (3%) computed to the nearest one cent (1¢)
29 increment.

30
31 Section 4-D. Effective 25 April 2005, the
32 minimums and maximums of factory labor
33 grades one (1) through fifteen (15) and the
34 minimums and maximums of technical and

1 office labor grades one (1) through fourteen
2 (14) and the base rate of each employee on
3 the active payroll or approved leave of
4 absence shall be increased by **three percent**
5 **(3%)** computed to the nearest one cent (1¢)
6 increment.

7
8 Section 5-A. Effective **28 April 2003** the
9 following factory and technical and office labor
10 grade structure shall be placed in effect for
11 employees on the payroll.

12 **Factory and Technical and Office Labor**
13 **Grade Structure**
14

15

Labor Grade	Factory		Technical & Office	
	Min	Max	Min	Max
1	\$11.52	\$24.19	\$11.35	\$24.78
2	\$11.26	\$23.77	\$11.10	\$24.45
3	\$11.08	\$23.51	\$10.98	\$23.83
4	\$10.86	\$23.29	\$10.60	\$23.56
5	\$10.69	\$23.05	\$10.48	\$23.34
6	\$10.43	\$22.80	\$10.25	\$23.11
7	\$10.25	\$22.62	\$10.02	\$22.66
8	\$10.09	\$22.40	\$ 9.88	\$22.47
9	\$ 9.78	\$22.18	\$ 9.64	\$22.05
10	\$ 9.47	\$21.37	\$ 9.58	\$21.29
11	\$ 9.32	\$21.15	\$ 9.34	\$21.01
12	\$ 9.16	\$20.94	\$ 9.22	\$20.87
13	\$ 9.10	\$20.80	\$ 9.08	\$20.56
14	\$ 9.02	\$20.70	\$ 8.95	\$20.27
15	\$ 6.34	\$13.88		

33

1 Factory Beginners' Rates

2
3 Section 6-A. The rate for beginners without pre-
4 vious training or related factory experience will be
5 computed as being 90% of the then prevailing
6 minimum base rate of labor grade 15. The rate
7 for a beginner will be increased eleven cents
8 (11¢) per hour after each interval of two (2)
9 weeks employment until the minimum working
10 rate of labor grade 15 has been attained.

11
12 Section 6-B. A beginner shall be assigned to
13 an established job classification and receive
14 the applicable minimum rate not later than
15 eight (8) weeks after his employment.

16
17 Section 6-C. Employees assigned to job duties
18 described for any job grade "A" occupation in
19 labor grade 15 shall, immediately upon as-
20 suming such duties, be paid the minimum
21 working rate of labor grade 15.

22 Technical and Office Beginners' Rates

23
24
25 Section 7-A. The rate for beginners without
26 previous training or related technical and office
27 experience will be computed as being 90% of
28 the then prevailing minimum base rate of labor
29 grade 14. The rate for a beginner will be in-
30 creased eleven cents (11¢) per hour after each
31 interval of two (2) weeks employment until the
32 minimum working rate of labor grade 14 has
33 been attained.

1 Section 7-B. A beginner shall be assigned to
2 an established job classification and receive
3 the applicable minimum rate not later than
4 eight (8) weeks after his employment.

5
6 Section 7-C. Employees assigned to job duties
7 described for any job grade "A" occupation in
8 labor grade 14 shall, immediately upon
9 assuming such duties, be paid the minimum
10 working rate of labor grade 14.

11
12 Section 8. The base rate of each hourly em-
13 ployee (which rate does not include any cost-
14 of-living adjustment) shall be subject to peri-
15 odic adjustments based upon changes in the
16 cost-of-living in accordance with the provisions
17 of this Section.

18
19 1. Cost-of-living adjustments, in accordance
20 with the following provisions, will be deter-
21 mined in accordance with changes in the
22 Consumer Price Index, United States City
23 Average for Urban Wage Earners and
24 Clerical Workers, (CPI-W), (United States
25 City Average, all items, 1982-1984=100) as
26 now published monthly by the Bureau of
27 Labor Statistics, United States Department of
28 Labor, and hereinafter referred to as the BLS
29 Index.

30
31 2. Cost-of-living Adjustment Formula and
32 Effective Dates.
33

The first cost-of-living adjustment shall be effective **21 July 2003** and shall apply to employees on the active payroll on that date. Employees hired subsequent to that date will be entitled to only those additional cost-of-living amounts which become effective subsequent to their date of hire.

The amount of this adjustment and subsequent adjustments (which shall be applied as per the following paragraphs) shall be one cent (1¢) for each 0.3 point increase of the average of the BLS Consumer Price Indices for the three (3) month periods stated below at each effective date of adjustment over the BLS Index of **179.7** provided, however, that in no event shall there be a pyramiding of cost-of-living adjustments as a result of the computations.

<u>Effective Dates of Adjustments</u>	<u>Based Upon Average of the 3-Month BLS Consumer Price Index for:</u>
21 Jul 2003	Feb, Mar, Apr 2003
20 Oct 2003	May, Jun, Jul 2003
19 Jan 2004	Aug, Sept, Oct 2003
19 Apr 2004	Nov., Dec. 2003, Jan. 2004
19 Jul 2004	Feb., Mar, Apr 2004
18 Oct 2004	May, Jun, Jul 2004
17 Jan 2005	Aug, Sep, Oct 2004
18 Apr 2005	Nov, Dec 2004, Jan 2005
18 Jul 2005	Feb, Mar, Apr 2005
17 Oct 2005	May, Jun, Jul 2005
16 Jan 2006	Aug, Sept, Oct 2005

1 3. "COLA float" refers to the net cost of living
2 adjustment not previously incorporated into
3 the rate range structure or, in the case of an
4 individual, into a base rate. All cost-of-living
5 adjustments shall be carried as a COLA
6 float except as hereinafter provided:

7
8 (a) Effective **26 April 2004**, and after
9 the application of the action
10 prescribed in **Section 4-C**, the
11 COLA float (if any) accumulated after
12 **28 April 2003** shall be added to the
13 minimums and maximums of the rate
14 ranges set forth in this Article Three,
15 Section 5-A.

16
17 (b) Effective **25 April 2005**, and after the
18 application of the action prescribed
19 in **Section 4-D**, the COLA float (if any)
20 accumulated after **26 April 2004** shall
21 be added to the minimums and
22 maximums of the rate ranges set forth
23 in this Article Three, Section 5-A.

24
25 (c) Effective **13 February 2006**, the COLA
26 float (if any) accumulated after **25 April**
27 **2005** shall be added to the minimums
28 and maximums of the rate ranges set
29 forth in this Article Three, Section 5-A.

30
31 (d) Effective **26 April 2004**, and after the
32 application of the action prescribed
33 in **Section 4-C**, for each employee on

1 the active payroll, their individual COLA
2 float (if any) accumulated after **28 April**
3 **2003** shall be incorporated into their
4 base wage rate.

5
6 (e) Effective **25 April 2005**, and after
7 the application of the action
8 prescribed in **Section 4-D**, for each
9 employee on the active payroll, their
10 individual COLA float (if any)
11 accumulated after **26 April 2004** shall
12 be incorporated into their base wage
13 rate.

14
15 (f) Effective **13 February 2006**, for each
16 employee on the active payroll, their
17 COLA float (if any) accumulated after
18 **25 April 2005** shall be incorporated
19 into their base wage rate.

20
21 4. The amount of any cost-of-living adjustment
22 applied during the period this Section is in
23 effect shall be added to the rate of each
24 hourly employee and shall be applied in
25 determining currently effective pay rates for
26 the following purposes subject to the
27 applicable provisions of this Agreement:

- 28
29 (a) Overtime Pay
30 (b) Holiday Pay
31 (c) Vacation Pay
32 (d) Sick Leave Pay
33 (e) Jury Duty Pay
34 (f) Grand Jury Duty Pay

- (g) Bereavement Pay
- (h) Military Leave

5. In the event that any BLS Index referred to herein is not officially published on or before the Wednesday immediately preceding the effective date on which a cost-of-living adjustment would otherwise be made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.
6. No adjustment retroactive or otherwise shall be made because of any revision which may later be made in the published figures of the BLS Index.
7. In the event the Bureau of Labor Statistics, United States Department of Labor, changes the form and/or method of calculation of the BLS Index and publishes a new monthly index which differs from that defined in paragraph one (1) of this Section, but continues to publish the BLS Index used in this Section by converting the new monthly index or by other means, such BLS Index shall continue to be used in applying paragraph two (2) of this Section. In the event the Bureau of Labor Statistics publishes a new monthly index but discontinues publication of the BLS

1 Index, the Company and the Union shall
2 enter into negotiations with respect to a
3 substitute cost-of-living index. The
4 purpose of the negotiations shall be to
5 ensure that the cost-of-living payments to
6 be made under this Section will be as
7 intended by the parties and shall be no
8 less than that which would have occurred
9 had the BLS Index continued. In the
10 event the parties are unable to agree on
11 a substitute index within sixty (60) days of
12 the discontinuance of the BLS Index, the
13 Union may file a "priority" grievance to be
14 heard by the permanent arbitrator.

15
16 8. By 5 December 2003, each employee
17 who was on the active payroll in this
18 bargaining unit on 24 November 2003
19 shall receive a supplemental cost-of-
20 living payment of six hundred dollars
21 (\$600).

22
23 9. By 3 December 2004, each employee
24 who was on the active payroll in this
25 bargaining unit on 22 November 2004
26 shall receive a supplemental cost-of-
27 living payment equal to six hundred
28 dollars (\$600).

29
30 10. By 2 December 2005, each employee
31 who was on the active payroll in this
32 bargaining unit on 21 November 2005
33 shall receive a supplemental cost-of-

1 living payment equal to six hundred
2 dollars (\$600).

3
4 Section 9. Each classified employee shall
5 receive at least the minimum hourly wage
6 rate for the labor grade to which his/her job is
7 assigned.

8
9 Section 10. Based upon the labor grade
10 structures set forth in this Article, the basic
11 rate range for each of the job classifications
12 covered by this Agreement is set forth in
13 Appendix "A" hereof and made a part of this
14 Agreement.

15
16 Personal Rates

17
18 Section 11. In any case where the
19 employee's basic wage rate established in
20 the application of this Agreement is in excess
21 of the maximum rate for the labor grade of
22 the employee's then proper job classification,
23 as such rates are set out in this Agreement,
24 such rate shall be designated as the
25 employee's "personal rate" and shall not be
26 changed unless the employee, in accordance
27 with the provisions of this Agreement, is
28 subsequently assigned to job duties covered
29 by a different job classification. If an
30 employee holding a "personal rate" is
31 classified to job duties covered by a different
32 job classification, and, within thirty-five (35)
33 days, that is, five (5) work weeks thereafter,

1 is reclassified to the job duties covered by
2 the job classification under which he/she
3 formerly received a "personal rate," he/she
4 shall have such "personal rate" restored
5 effective upon the payroll period nearest to
6 the date of such reassignment. Assignment
7 of an employee to job duties covered by a
8 different job classification shall not be made
9 for the purpose of avoiding the payment of
10 the "personal rate." The Company shall
11 endeavor, whenever practicable, to find jobs
12 in higher rated job classifications for
13 employees with "personal rates."

14 15 Progression within Rate Ranges*

16
17 Section 12-A. All employees in Factory and
18 Technical and Office Labor Grades 01
19 through 15 shall receive wage increases of
20 twenty cents (20¢) per hour each sixteen
21 (16) weeks after the "effective date" of
22 assignment to a particular job classification
23 to the maximum base rate of such job
24 classification. If the last automatic increase
25 takes an employee's rate to a point within
26 four cents (4¢) of the maximum rate of his
27 job classification, he/she shall be granted
28 such additional increase.

29
30 * See also, Appendix I, No. 2

31
32 Section 12-B. Changes in rate provided in
33 the paragraph above shall become effective

1 on the first Monday following the completion
2 of the sixteen (16) week period.

3
4 Section 12-C. Absences of three (3) or more
5 continuous calendar work weeks not covered
6 by authorized vacation, sick leave, jury duty,
7 Grand Jury duty or bereavement leave with
8 pay shall not be counted toward the
9 accumulated time necessary for automatic
10 increases.

11
12 Section 13. The second shift shall receive
13 thirty-five cents (35¢) per hour above the
14 regular rate of pay. The third shift shall
15 receive ten cents (10¢) per hour above the
16 regular hourly rate of pay for eight (8) hours,
17 but shall work only six (6) hours and thirty
18 (30) minutes for "eight (8)" hours' pay.

19
20 ARTICLE FOUR
21 HOURS OF WORK AND OVERTIME
22

23 Section 1. The regular work week** shall
24 consist of forty (40) hours of five (5)
25 consecutive days, Monday through Friday.
26 The work week for those employees
27 assigned to the "boiler-house" operation may
28 be any five (5) days. However, nothing in this
29 Agreement shall be construed as a
30 guarantee of hours of work per day or per
31 week.

32
33 ** See also, Appendix I, No. 1.

1 Section 2. The present established shifts will
2 not be changed without a prior thirty (30)
3 days' notice to the Union.

4
5 Section 3. For pay purposes only, the shift-
6 starting time at which an employee is
7 directed to report for work on a Monday
8 (Tuesday when Monday is a holiday) shall
9 establish 1) the employee's shift starting time
10 for the week in which the Monday falls and 2)
11 the "standard day" for the employee's regular
12 work week for the purpose of determining
13 overtime within each standard day. However,
14 nothing in this Section shall preclude a
15 change in the employee's shift and/or starting
16 time during the week. Where an employee is
17 assigned to hours other than those of an
18 established shift, the employee will be
19 considered to be on the shift in which the
20 bulk of his/her first eight hours falls.

21
22 Section 4. On the first and second shifts
23 eight (8) hours of work within nine (9)
24 consecutive hours will constitute a regular
25 day's work. On the third shift, six and one-
26 half (6-1/2) hours of work within seven and
27 one-half (7-1/2) hours shall constitute a
28 regular day's work.

29
30 Section 5. The standard day shall be from
31 the beginning of the established regular shift
32 to the beginning of the same shift on the next
33 working day, for each employee.

1 Section 6. For purposes of accounting, a
2 seven (7) day period shall be established for
3 hourly employees by fixing the time of the
4 beginning of the pay period and the time of
5 the ending of such periods at one hundred
6 and sixty-eight (168) hours from the time of
7 commencement.

8
9 Section 7. Work in excess of eight (8) hours
10 on the first and second shifts shall be paid for
11 at the rate of one and one-half (1-1/2) times
12 the regular hourly rate.

13
14 Section 8. Work in excess of six and one-half
15 (6-1/2) hours on the third shift shall be paid
16 for at the rate of one and one-half (1-1/2)
17 times the regular hourly rate.

18
19 Section 9. Work performed in excess of
20 eleven (11) hours in a workday by first and
21 second shift employees shall be paid for at
22 double the regular hourly rate. Work
23 performed in excess of nine and one-half (9-
24 1/2) hours in a workday by third shift
25 employees shall be paid for at double the
26 regular hourly rate.

27
28 Section 10. Work on Saturday for the first
29 and second shifts shall be paid for at the rate
30 of one and one-half (1-1/2) times the regular
31 hourly rate for the first eight (8) hours and
32 two (2) times the regular hourly rate
33 thereafter.

1 Section 11. Work on Saturday for the third
2 shift shall be paid for at the rate of one and
3 one-half (1-1/2) times the regular hourly rate
4 for the first six and one-half (6-1/2) hours and
5 two (2) times the regular hourly rate
6 thereafter.

7
8 Section 12. Work performed on Sunday
9 shifts shall be paid for at the rate of two (2)
10 times the employee's regular hourly rate.

11
12 Section 13. The above provisions for
13 premium pay for work performed on
14 Saturday and Sunday shall not apply to
15 those employees assigned to the "boiler-
16 house" operation, however, their first
17 regularly scheduled day off shall be
18 considered as falling on their Saturday and
19 their second regularly scheduled day off shall
20 be considered as falling on their Sunday.

21
22 Section 14. When it becomes necessary for
23 employees covered by this Agreement to
24 work overtime, they shall not be laid off
25 during regular working hours to equalize the
26 time.

27
28 Section 15. Employees who attempt to take
29 advantage of the overtime provisions and lay
30 off without good cause during the straight
31 time pay period may not be assigned to
32 overtime work during that pay period.

1 Section 16. The Company will apply shift
2 preference in the following manner:

3
4 (a) In Company originated moves, seniority
5 will control within a department* on the
6 shifts affected, as the basis for making
7 shift transfers, where the employee has
8 the ability to perform the job, except in
9 cases where it is necessary to deviate
10 from this practice because of:

11
12 (1) Special Ability (Not Superior
13 Performance).

14
15 (2) To build up or properly balance an
16 adequate workforce.

17
18 (b) When an employee is transferred into a
19 department, neither the employee
20 transferred nor the employees in the
21 department will be given shift preference
22 immediately, but will file a shift preference
23 request which will be reviewed by the
24 Company as provided in Paragraph (d) of
25 this Section.

26
27 (c) Any employee with a hardship will be
28 considered at any time for a shift transfer,
29 if mutually agreed upon between the
30 parties.

31
32 (d) The Company will establish a ninety (90)
33 day review period** to review each

1 employee's request for a shift transfer for
2 reasons other than hardship, provided that
3 the employee has not requested and been
4 granted a shift transfer in the previous
5 twelve (12) months. However, an em-
6 ployee who has been granted a shift
7 transfer in accordance with this Paragraph
8 (d) and who is later moved to another shift
9 by the Company may immediately file
10 another request for shift transfer. Each
11 employee making such request for a shift
12 transfer will submit his/her request in
13 writing to his/her immediate supervisor
14 within the first sixty (60) days of each
15 ninety (90) day review period. The
16 Company will make a serious effort to
17 arrange such requested shift transfer
18 within the last thirty (30) days of the ninety-
19 (90) day period. A shift transfer request
20 can be withdrawn through the Monday
21 prior to the employee's move date.

22
23 (e) An employee who is transferred into a
24 department due to a reduction in force
25 during the last thirty (30) days of a review
26 period established in Section 16(d) shall be
27 eligible to submit a request for shift transfer
28 as outlined in Section 16(a) through (d)
29 above except that the review periods
30 established in Section 16(d) shall not apply
31 to such employee, and, instead, the fol-
32 lowing "special" review periods shall apply:
33

1 June 1 through August 31
2 September 1 through November 30
3 December 1 through February 28 or 29
4 (as applicable)
5 March 1 through May 31
6

- 7 (f) Employees who are in their probationary
8 period will not be eligible to submit shift
9 preference requests under this Section.
10

11 * Where two or more departments are
12 merged for seniority purposes, they
13 shall be considered as "a department"
14 for the purpose of this Section.
15

16 ** The review periods are on a quarterly
17 basis (90-day period) for all employees:
18

19 April 1 through June 30
20 July 1 through September 30
21 October 1 through December 31
22 January 1 through March 31
23

- 24 (g) During the third quarter of each year, an
25 employee may request shift preference,
26 crossing departmental lines within his/her
27 classification, provided that the employee
28 possesses the necessary certifications re-
29 quired to perform work in the classification
30 within the new department at the time the
31 shift change occurs. Requests shall be hon-
32 ored on basis of seniority. In no event
33 shall the application of this section

1 **result in classification turnover exceed-**
2 **ing ten percent (10%) in any single**
3 **department.**
4

5 Section 17. Records shall be kept of
6 overtime worked by employees with the
7 purpose in view of distributing overtime work
8 as equally as possible among employees in
9 an occupational group, capable of performing
10 such available work. These records shall be
11 made available to the various Committeemen
12 in the department upon request. Employees
13 from one classification or job from another
14 department will not be called upon to work
15 overtime in another classification or job in a
16 department when employees in the
17 classification or job in which the overtime is
18 to be worked are available, except in case of
19 an emergency over which the Company has
20 no control.
21

22 Section 18. In the event an employee reports
23 for work at the start of his/her scheduled
24 shift, he/she shall receive at least four (4)
25 hours of work or pay in lieu thereof, unless
26 he/she was previously notified not to so
27 report. In the event an employee has been
28 absent for any reason the above provision of
29 this paragraph shall not apply unless he/she
30 first contacts his/her supervisor and is
31 notified when to report for work. The
32 Company shall not be required to offer work
33 or pay an employee in lieu thereof in case of

1 emergency shutdown arising out of
2 conditions over which it has no control.

3
4 Section 19. In the event an employee is
5 called back to work after he/she has
6 completed his scheduled hours and after
7 leaving the plant, he/she shall be guaranteed
8 at least four (4) hours' work at the designated
9 overtime rate and shall be paid the
10 designated rate for all work after the first four
11 (4) hours.

12
13 Section 20. In case of a layoff due to lack of
14 work for an indefinite period, at least two (2)
15 weeks' notice will be given. If such notice is
16 not provided, eight (8) hours will be paid for
17 each workday which notice is not provided,
18 not to exceed eighty (80) hours. In the event,
19 however, of an unforeseen emergency over
20 which the Company has no control only eight
21 (8) hours' notice need be given. In case of
22 required absence due to lack of work of short
23 duration for a definite period, eight (8) hours'
24 notice or pay in lieu will be given except in
25 emergency cases over which the Company
26 has no control. The affected employees who
27 are not present at the time the notifications
28 are presented will be sent a telegram or
29 registered letter to be delivered to the
30 employee's last address shown on the
31 Company's records and will not be paid eight
32 (8) hours' pay in lieu of notification.

1 Section 21. If an employee shall fail to work
2 his/her full shift, there shall be deducted from
3 his/her pay the actual minute time that
4 he/she fails to work.

5
6 Section 22. No Company rules shall be put
7 into effect in violation of this Agreement.
8

9
10 **ARTICLE FIVE**
11 **HOLIDAYS**
12

13 **Paid Holidays**
14

15 Section 1. The purpose of this Article (except
16 as specifically provided in Section 8) is that
17 no employee shall suffer loss of wages due
18 to the fact that one (1) of the holidays listed
19 below falls on a regularly scheduled work
20 day for which such employee would have
21 received straight time pay had such day not
22 been observed as a holiday.

23
24 Section 2. For purposes of this Agreement,
25 the following dates are designated as
26 holidays:
27

<u>Holiday</u>	<u>Date</u>	<u>Day</u>
<u>2003</u>		
Memorial Day	May 26	Monday
Independence Day	July 4	Friday
Labor Day	September 1	Monday

1	Thanksgiving Day	November 27	Thursday
2	Day after Thanksgiving	November 28	Friday
3	Year-end Holidays	December 24	Wednesday
4		December 25	Thursday
5		December 29	Monday
6		December 30	Tuesday
7		December 31	Wednesday
8			
9	<u>2004</u>		
10	New Years Day	January 1	Thursday
11	Day after New Years Day	January 2	Friday
12	Memorial Day	May 31	Monday
13	Independence Day	July 5	Monday
14	Labor Day	September 6	Monday
15	Thanksgiving Day	November 25	Thursday
16	Day after Thanksgiving	November 26	Friday
17	Year-end Holidays	December 24	Friday
18		December 27	Monday
19		December 28	Tuesday
20		December 29	Wednesday
21		December 30	Thursday
22		December 31	Friday
23			
24	<u>2005</u>		
25	Memorial Day	May 30	Monday
26	Independence Day	July 4	Monday
27	Labor Day	September 5	Monday
28	Thanksgiving Day	November 24	Thursday
29	Day after Thanksgiving	November 25	Friday
30	Year-end Holidays	December 23	Friday
31		December 26	Monday
32		December 27	Tuesday
33		December 28	Wednesday

December 29 Thursday

December 30 Friday

2006

Day after New Years Day January 2 Monday

In addition, subject to all provisions of Article Five, for each employee on the payroll on 27 April 2003, the birth date occurring between 19 May 2003 and 18 May 2004 shall be designated as a holiday for that employee. If the employee's birth date falls on his/her regular day off or on a date designated as a holiday under this Section 2, the employee may select one (1) day during the week immediately preceding or following the week in which his/her birth date falls to be observed as his/her birthday holiday.

Eligibility for Holiday Pay when Holiday Is Not Worked

Section 3. An employee assigned to a regular work week (Monday through Friday) shall be eligible for holiday pay when a day considered as a holiday under this Agreement falls on a regular work day of such regular work week, provided:

(a) That he/she has been on the payroll for thirty-five (35) calendar days since his/her last date of hire, and

(b) That he/she would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

(c) That he/she has worked at least the equivalent of one (1) full regular shift during the work week in which the holiday occurs, and

(d) That he/she was not scheduled to work on such holiday.

Effect of Absence

Section 4. Under no condition shall an employee receive pay for a holiday not worked which occurs during a leave of absence, layoff or any other absence, except that an employee on an authorized leave with pay shall be entitled to pay for a holiday which occurs during his/her period of authorized leave with pay. Such holiday pay shall be in addition to the vacation pay allowance otherwise provided for in this Agreement.

Section 5. When the Company deems it necessary for employees to work on a holiday, it will first ask for volunteers from the needed classification within the affected department, beginning with the low employee on the overtime list. If the overtime requirement is satisfied by volunteers, those

1 who choose not to volunteer will not be
2 excluded from holiday pay and will not be
3 charged.

4
5 If there are not enough volunteers to fill the
6 holiday work needs, the Company will then
7 schedule employees in the affected
8 classification and department to work, again
9 beginning with the low employee on the
10 overtime list. If an employee is scheduled to
11 work on a holiday, he/she shall be notified at
12 least twenty-four (24) hours in advance of the
13 close of the regularly scheduled (Monday
14 through Friday) workday immediately
15 preceding the holiday. If he/she received
16 such notification and fails to report for work
17 on the holiday, he/she shall not be eligible for
18 holiday pay.

19
20 Section 6. Holiday pay, or pay for a holiday
21 not worked, as the terms are used in this
22 Agreement, shall mean the product of the
23 eligible employee's straight time hourly rate,
24 multiplied by the number of hours that he/she
25 would otherwise have been scheduled to
26 work, not to exceed eight (8) hours, on such
27 day if it had not been observed as a holiday.

28
29 Section 7. An employee who works on a day
30 considered as a holiday for which he/she
31 would be eligible for holiday pay under this
32 Agreement shall receive holiday pay as
33 described in Section 6, but shall, in addition,

1 be compensated at double his/her regular
2 hourly rate for all hours of work performed on
3 the said holiday. This provision shall not
4 apply to employees covered by Section 8,
5 but will apply to employees covered in
6 Section 3 (a).

7
8 Section 8. An employee assigned to the
9 "boiler-house" operation who is assigned to a
10 work week other than a regular work week as
11 provided for in Article Four, Section 1, "Hours
12 of Work and Overtime," shall be eligible for
13 eight (8) hours' holiday pay in addition to
14 his/her regular pay for a weekly pay period
15 during which a day considered as a Holiday
16 occurred provided:

17
18 (a) That he/she has been on the payroll for
19 thirty-five (35) calendar days since his/her
20 last date of hire, and

21
22 (b) That he/she has worked at least the
23 equivalent of one (1) full regular shift
24 during the work week in which the holiday
25 occurs, and

26
27 (c) That he/she works on a holiday on which
28 he/she is scheduled to work.

29
30 ARTICLE SIX
31 VACATION, SICK LEAVE AND
32 BEREAVEMENT LEAVE

33 Vacations

Vacations shall be granted employees by the Company in accordance with the following regulations:

Section 1. Vacation begins to accrue for each employee on the first day of hire. Vacation will accrue at the monthly rate shown below for any calendar month or partial calendar month. The vacation balance for each employee will be credited with the preceding month's vacation accrual on the first workday of the month following the month of accrual except that a probationary employee shall not receive any vacation credit until the successful completion of the probationary period. Time lost, not to exceed ninety (90) days, due to occupational illness or occupational injury shall be counted for the purpose of vacation accrual if the employee returns to the active payroll of the Company.

Section 2. Vacations shall be paid at the regular hourly rate of pay in effect for each employee at the time the vacation is taken.

Section 3. The vacation eligibility date of an employee hired prior to 14 April 2003 shall be established pursuant to the terms of the Collective Bargaining Agreement in effect 27 April 2000. The vacation

1 eligibility date of an employee hired on or
2 after 14 April 2003 shall be the calendar
3 month and day of his/her last hire date.

4
5 **Section 4. Vacation accruals are based on**
6 **completed years of continuous service**
7 **and become effective on an employee's**
8 **next vacation eligibility date.**

9

<u>Completed Years of</u>	<u>Vacation Accrual</u>
<u>Continuous Service</u>	
10 Less than 10 years	11 6.67 hours per month
12 10 years to 19 years	13 10 hours per month
14 20 years or more	15 13.34 hours per month

16 For each employee, when continuous
17 service, and after reaching the next
18 vacation eligibility date, results in the
19 next greater level of vacation accrual
20 during a calendar month, the greater
21 accrual will be effective beginning the
22 month following the month of the next
23 vacation eligibility date.

24
25 **Section 5. The maximum vacation**
26 **accrual is 400 hours. However, each**
27 **employee may continue to accrue**
28 **vacation hours in excess of 400 hours,**
29 **and at the end of the calendar year**
30 **accrued hours in excess of 400 hours will**
31 **be paid out (thereby, reducing the accrued**
32 **balance to 400 hours to begin the new**
33 **year). Payments for excess vacation hours**

1 will be distributed as early as practicable
2 in the new calendar year, which will
3 normally be on or before the third full pay
4 period of the new calendar year. Any
5 vacation time taken between the last
6 accrual process run for the year and the
7 payout of excess hours will be deducted
8 from the balance prior to the payout.

9
10 **Section 6.** Each employee, upon his/her
11 vacation eligibility date shall be paid sixteen
12 (16) hours of pay at the employee's regular
13 hourly rate of pay in effect at the time of the
14 payment.

15
16 **Section 7.** If an employee has earned his/her
17 vacation and has not taken same prior to
18 terminating his/her employment with the
19 Company, including termination by quitting,
20 retirement, discharge, military service and
21 layoff, then the vacation pay in lieu of time off,
22 shall be given to said employee at the time of
23 termination. **Payment of the unused earned**
24 **vacation shall be at the regular hourly rate**
25 **of pay in effect at the time of the payment.**
26 **At time of termination, an employee shall**
27 **receive the wage equivalent of the portion**
28 **of the sixteen (16) hour payment referenced**
29 **above in Section 6, prorated at the rate of**
30 **1.33 hours per month since the employee's**
31 **last vacation eligibility date.**

32 **Section 8.** Production need shall be the
33 determining factor in scheduling vacations.

1 **Section 9.** An employee **should** request a
2 vacation at least four weeks prior to the
3 Monday on which he/she requests that
4 his/her vacation start. Preference will be
5 given in line with seniority, if practical, in
6 scheduling vacations. If it is deemed
7 impractical, because of production need, to
8 grant an employee's vacation at the time
9 requested, the employee may ask that
10 his/her vacation be scheduled at another
11 time. Employees will not be forced to take a
12 vacation.

13
14 **Section 10.** An employee may request
15 payment of earned sick leave and/or
16 vacation benefits while on an approved leave
17 of absence. If such an employee has earned
18 sick leave and/or vacation at the time he/she
19 is placed on the leave of absence, such sick
20 leave and/or vacation will be applied to the
21 first of the absence period.

22
23 **Section 11.** Absence from work with pay on
24 authorized vacation, sick leave, bereavement
25 leave, military leave, jury duty, or Grand Jury
26 duty shall be considered as time worked for
27 the purpose of computing vacation eligibility.
28 In addition, unpaid full-day absences due to
29 authorized leave for temporary union
30 business will be considered as time worked
31 for determining eligibility for vacation accrual
32 when the temporary union leave is requested

1 by the Union District Office and approved by
2 the Company.

3
4 **Section 12.** An employee may take his/her
5 vacation during his/her benefit year in weekly
6 or one-(1) hour increments in accordance
7 with the provisions of this Article.

8
9 **Sick Leave**

10
11 **Section 13-A.** Each employee shall be
12 granted sick leave with pay in accordance
13 with the following provisions.

14
15 **Section 13-B.** Sick leave begins to accrue
16 for each employee on the first day of hire.
17 Sick leave will accrue at the monthly rate
18 of four (4) hours per calendar month or
19 partial calendar month. The sick leave
20 balance for each employee will be cred-
21 ited with the preceding month's sick leave
22 accrual on the first workday of the month
23 following the month of accrual except that
24 a probationary employee shall not receive
25 any sick leave credit until the successful
26 completion of the probationary period.
27 Time lost, not to exceed ninety (90) days,
28 due to occupational illness or occupa-
29 tional injury shall be counted for the pur-
30 pose of sick leave accrual if the employee
31 returns to the active payroll of the Company.
32 **Section 13-C.** The maximum sick leave
33 accrual is forty-eight (48) hours.

1 However, each employee may continue to
2 accrue sick leave hours in excess of
3 forty-eight (48) hours, and at the end of
4 the year accrued hours in excess of forty-
5 eight (48) hours will be paid out (thereby,
6 reducing the accrued balance to forty-
7 eight (48) hours to begin the new year).
8 Payments for excess sick leave hours will
9 be distributed as early as practicable in
10 the new year, which will normally be on or
11 before the third full pay period of the new
12 calendar year. Any sick leave time taken
13 between the last accrual process run for
14 the year and the payout of excess hours
15 will be deducted from the balance prior to
16 the payout.

17
18 **Section 13-D.** If an employee has earned
19 his/her sick leave and has not taken same
20 prior to terminating his/her employment with
21 the Company, including termination by
22 quitting, discharge, **retirement**, military
23 service, death, and layoff due to a reduction
24 in force because of lack of work, or is
25 granted a leave of absence as provided in
26 Article Ten, Section 2, then he/she shall be
27 paid for each hour of unused, earned sick
28 leave. Payment of the unused, earned
29 sick leave shall be at the regular hourly
30 rate of pay in effect at the time of the
31 payment.

1 Section 13-E. Sick leave may be taken in
2 one (1) hour increments. Sick leave time
3 shall be paid at the regular hourly rate of pay
4 in effect for each employee at the time the
5 sick leave is taken.

6
7 Section 13-F. Sick leave pay is to
8 compensate an employee due to absence
9 resulting from illness or injury. Sick leave
10 may be used to care for family members who
11 reside in the employee's household or, from
12 time to time rely on the employee for care.
13 The sick leave days with pay for employees
14 who have established eligibility therefore
15 shall be taken as sick leave only and not as
16 additional vacation. The Company may
17 require the employee to present a doctor's
18 certificate to the Company prior to payment
19 of sick leave pay provided the employee is in
20 Step III or higher of the Attendance Control
21 Program.

22
23 Section 13-G. Absence from work with pay on
24 authorized vacation, sick leave, jury duty,
25 Grand Jury duty, bereavement leave or military
26 leave shall be considered as time worked for
27 purposes of computing sick leave eligibility. In
28 addition, unpaid full-day absences due to au-
29 thorized leave for temporary union business
30 will be considered as time worked for comput-
31 ing sick leave eligibility when the temporary
32 union leave is requested by the Union District
33 Office and approved by the Company.

1 **Bereavement Leave**

2
3 **Section 14-A.** An employee shall be eligible
4 for three (3) days bereavement leave with
5 pay upon a death in his/her immediate
6 family. To receive bereavement pay the
7 leave must be taken not later than seven (7)
8 days after date of the funeral. Bereavement
9 pay will not be granted for Saturday, Sunday,
10 and holidays or any day which the employee
11 will otherwise be compensated by the
12 Company. For purposes of this Section,
13 immediate family shall mean: Mother, Father,
14 Brother, Sister, Children, Spouse, Mother-in-
15 law, Father-in-law, Brother-in-law, Sister-in-
16 law, Stepmother, Stepfather, Stepbrother,
17 Stepsister, Stepchildren, Half-brother, Half-
18 sister, Grandparents, Grandchildren.

19
20 **Section 14-B.** An employee shall request
21 such bereavement leave on a form to be
22 provided by the Company. Such request
23 shall be made before the absence due to
24 death in the employee's immediate family
25 when possible, or immediately upon the
26 employee's return to work from such
27 absence. Bereavement leave shall be
28 granted upon receipt of the request form.

29
30 **ARTICLE SEVEN**
31 **UNION REPRESENTATION AND**
32 **GRIEVANCE PROCEDURE**
33

1 Section 1. The Grand Lodge or Business
2 Representative of the Union shall have
3 access to the Company's plants during
4 working hours for the purpose of
5 investigating grievances. He/she shall obtain
6 from the Company specific authorization for
7 each visit and such visit shall be subject to
8 such regulations as may be made from time
9 to time by the Company, the United States
10 Air Force or other governmental agencies.
11 The Company will not impose regulations
12 which will render ineffective the intent of this
13 provision.

14
15 Section 2. The number of Departmental
16 Committeemen will be determined according
17 to the following schedule, based upon the
18 department's population of represented
19 employees on a shift:

20
21 Up to 175 employees
22 176 to 350 employees
23 351 to 500 employees
24 501 to 650 employees
25 651 to 800 employees
26 801 to 950 employees
27 951 to 1100 employees
28

29 In large departments spread over a large area,
30 a second Departmental Committeeman may
31 be added when one hundred fifty-one (151)
32 employees are regularly assigned to that
33 department and shift. However, while ten (10)

1 or more employees of a department are
2 regularly assigned to work in an area physically
3 separated from the majority of employees in
4 their department, the Union, after consultation
5 with the Company may appoint a
6 committeeman to represent such employees.
7 Each department on each shift shall have at
8 least one committeeman provided that three
9 (3) or more employees are regularly assigned
10 to that department and shift. If a department
11 and shift is reduced below three (3)
12 employees, the Directing Business
13 Representative and the Director of Employee
14 Relations will jointly determine the
15 arrangements that will be made in order to
16 provide representation to affected employees.
17 The Union will keep the Company currently
18 informed in writing of the names of accredited
19 Departmental Committeemen including
20 additions and deletions as they occur. Only
21 persons so endorsed will be accepted by the
22 Company as representatives of the Union.

23
24 Section 3. A Departmental or Plant
25 Grievance Committeeman or member of the
26 Negotiating Committee or member of the
27 Safety Committee shall not be transferred or
28 loaned from his/her shift or department to
29 another except in the interest of production
30 and by prior agreement with the Union. The
31 Union shall notify the Company in writing of
32 the names of employees serving in such
33 capacity.

1 Section 4. A Departmental Committeeman
2 will be privileged to handle requests,
3 complaints or grievances arising under this
4 Agreement in his/her department during
5 his/her working hours without loss of
6 compensation provided that the time so
7 spent is devoted to the prompt handling of
8 requests, complaints or grievances in
9 accordance with the Grievance Procedure of
10 this Agreement and that committeemen at all
11 other times continue to perform their
12 assigned jobs.

13
14 Section 5. A Departmental Committeeman's
15 Union activities on Company time shall fall
16 within the scope of the following functions:

17
18 (a) To consult with an employee regarding the
19 presentation of a request, complaint or
20 grievance which the employee desires
21 him/her to present.

22
23 (b) To present a request, complaint or
24 grievance to an employee's immediate
25 supervisor in an attempt to settle the
26 matter for the employee or group of
27 employees who may be similarly affected.

28
29 (c) To present a grievance to an employee's
30 department head in accordance with Step
31 Two of the Grievance Procedure.

1 (d)To investigate a complaint or grievance of
2 record after presentation to the
3 appropriate supervisor.

4
5 (e)To meet by appointment with an
6 appropriate supervisor or other designated
7 representative of the Company, when
8 necessary, to adjust grievances in
9 accordance with the Grievance Procedure
10 of this Agreement. The Company and the
11 Union are in agreement that the minimum
12 amount of time should be spent in the
13 performance of these duties.

14
15 Section 6. A Departmental or Plant Grievance
16 Committeeman, before leaving his/her work
17 station or department on Union business as
18 provided for in this Agreement, shall request
19 permission from his/her immediate supervisor
20 and report to him/her upon return. Passes will
21 be issued upon such occasions by the
22 committeeman's supervisor.

23
24 Section 7. The Company desires that
25 unfairness to its employees shall not exist and
26 that complaints shall be settled whenever
27 possible with its supervisors in the department
28 where the complaint or grievance originates.

29
30 Should differences arise between the
31 Company and its employees, with respect to
32 any of the terms, provisions, classifications
33 or rates covered by this Agreement, there

1 shall be no suspension of work, but an
2 earnest effort shall be made to settle such
3 differences promptly in the manner
4 hereinafter outlined.

5
6 Section 8. The term "grievance" as used in this
7 Agreement shall mean any alleged violation of
8 the terms or provisions of this Agreement or
9 differences of opinion as to its interpretation
10 and/or application when reduced to writing on a
11 fully executed form approved by the parties.
12 Grievances shall be signed by the aggrieved
13 employee and his/her Departmental Commit-
14 teeman, except that grievances pertaining to
15 matters general in character which cannot be
16 settled by an immediate supervisor or depart-
17 ment head shall be valid when signed by the
18 Business Representative or Grand Lodge Rep-
19 resentative of the Union and submitted in Step
20 Three to the Vice President of **Human**
21 **Resources.**

22
23 Section 9. There shall be no responsibility on
24 the part of the Company to make an
25 adjustment on any grievance unless it is
26 submitted within eight (8) working days from
27 the date the aggrieved knew, or by
28 reasonable diligence could have known, of
29 the occurrence of the act or omission on
30 which it is based, except as said time limits
31 shall be altered by the following provisions:

32 (a) Grievances related to misclassification
33 because of work performed by the

1 aggrieved shall be considered valid in
2 respect to time limits if filed within thirty-five
3 (35) calendar days from the date of the
4 new job assignment(s) on which the
5 grievance is based in any case where the
6 occupational group is not changed, or,
7 thirty-five (35) calendar days from the
8 effective date of transfer in any case where
9 the occupational group is changed.

10

11 (b) Grievances regarding discharges must be
12 filed in Step Two within **four (4)** working
13 days from the date of the Company's notifi-
14 cation to the employee. Failure to file such
15 a grievance within the **four (4)** working
16 days' time limit shall render the grievance
17 void. However, a grievance filed within said
18 time limit shall entitle the grievant, through-
19 out the balance of the Grievance Proce-
20 dure, including arbitration, to consideration
21 in regard to the merits of the case for rein-
22 statement, pay for time lost from date of
23 discharge - (less any wages or compensa-
24 tion benefits he/she may have received in
25 the intervening period) or any modification
26 of the discharge penalties declared appro-
27 priate in the settlement in accordance with
28 the Grievance Procedure of this Agreement.

29

30 STEP ONE

31

32 Section 10. In handling a request or com-
33 plaint an employee and/or his/her depart-

1 mental committeeman may take up the re-
2 quest or complaint with the employee's im-
3 mediate supervisor during working hours
4 without loss of compensation. The immediate
5 supervisor shall give his/her answer to the
6 request or complaint within forty-eight (48)
7 hours after presentation.

8 9 STEP TWO

10
11 Section 11. If a satisfactory settlement has not
12 been reached in Step One within forty-eight
13 (48) hours, the departmental committeeman
14 may present a grievance (as herein defined) to
15 the department head (or his/her representa-
16 tive) of the employee involved.

17
18 A written answer to the grievance, signed by
19 the immediate supervisor and department
20 head, shall be due within three (3) working
21 days. If the answer is not satisfactory, the
22 grievance shall be considered unadjusted and
23 may be presented on the Tuesday following
24 the next regular meeting of the Plant
25 Grievance Committee as hereinafter provided.

26 27 STEP THREE

28
29 Section 12. The Plant Grievance Committee
30 in its regular meeting shall review the facts
31 submitted on the unadjusted grievance and
32 by mutual agreement at such meeting may
33 interview persons concerned with the

1 grievance or conduct a special investigation
2 of said grievance. A decision mutually
3 agreed to at such meeting regarding any
4 grievance shall become final and binding on
5 the employees affected, however, if the
6 Committee representing the Union and the
7 Company is unable to reach an agreement
8 on a particular grievance, the moving party
9 shall be given a written answer by the other
10 party within five (5) working days from the
11 last scheduled discussion of the grievance. If
12 the parties are not able to resolve a
13 grievance within sixty (60) days of its being
14 certified to Step 3, such grievance shall be
15 automatically certified to Step 4.

16 17 STEP FOUR— ARBITRATION

18
19 Section 13. If the parties fail to reach a
20 satisfactory settlement, then within nine (9)
21 working days thereafter, the grievance may
22 be submitted by one or both parties to
23 arbitration, and if not submitted to arbitration
24 within such limitations shall be considered
25 settled.

26
27 Section 14. The parties themselves shall
28 mutually agree upon a Permanent Arbitrator
29 to hear and render a decision in each case
30 submitted to arbitration in accordance with
31 the Grievance Procedure described in this
32 Article.

1 Section 15. Hearings of cases submitted to
2 the Permanent Arbitrator shall be conducted
3 in date sequence order. All cases certified to
4 Step Four in any month shall be settled or
5 arbitrated, as rapidly as the number in the
6 procedure will permit, not later than the third
7 month following the month in which the
8 grievance entered Step Four, or as soon
9 thereafter as practicable. Discharge for
10 cause cases and those disciplinary
11 grievances which were part of the
12 progressive discipline leading to that
13 discharge that have been certified to Step
14 Four of the Grievance Procedure shall be
15 heard by the Permanent Arbitrator in date
16 sequence order of discharge prior to
17 conducting hearings as specified above.
18 Committeeman discipline cases will also be
19 expedited. Unless provided for otherwise by
20 mutual agreement, it is understood that
21 normally the permanent arbitrator will be
22 scheduled for two (2) hearing days per
23 month. However, when there are sufficient
24 discharge, committeeman discipline, physical
25 code or recall cases involving employees off
26 of work to justify a full day's hearing, the
27 parties shall schedule the permanent
28 arbitrator for an additional day of hearing to
29 hear these cases.

30
31 Section 16. The expenses of arbitration
32 including the fee for the arbitrator's services
33 rendered and those expenses necessary for

1 the provision of facilities for the hearing of
2 cases shall be borne equally by the
3 Company and the Union. All other expenses
4 which the parties may incur individually are
5 to be borne by the party incurring such
6 expense.. The cost of any transcript either
7 required by the arbitrator or mutually agreed
8 to by the parties shall be borne equally by
9 the Company and the Union. If only one
10 party requests a transcript, then that party
11 shall individually bear the expense of its
12 preparation.

13
14 Section 17. The arbitrator shall not have
15 jurisdiction to arbitrate new provisions or new
16 clauses into this Agreement, or to add to, or
17 to modify, or to arbitrate away in whole or in
18 part any provision of this Agreement. The
19 arbitrator's decision shall be submitted in
20 writing and shall be binding on both parties.
21 The arbitrator's decision shall be rendered
22 within thirty (30) calendar days of the hearing
23 date. Notice of any claims by either party that
24 an arbitrator's award hereafter rendered
25 hereunder is invalid in whole or in part, under
26 the laws of the State of Texas shall be
27 served in writing upon the other party within
28 ten (10) days after receipt of the written
29 award in question, and thereafter the party
30 giving such notice shall proceed as promptly
31 as possible with the institution of
32 proceedings, seeking to modify or set aside
33 the award. The parties agree that if such

1 notice is not given, such failure shall
2 constitute a waiver of any legal objections to
3 said award.

4
5 Section 18. Failure of the moving party to
6 process a grievance within any of the time
7 limitations specified in Steps One, Two and
8 Three, and Four shall render the grievance
9 void.

10
11 Section 19. The Grievance Committee
12 referred to in Step Three of this Article shall
13 be composed of three (3) members
14 appointed by the Company and three (3)
15 members appointed by the Union who shall
16 be employees with at least one (1) year's
17 seniority. None of the Union members so
18 appointed shall be Shop Committeemen
19 during their tenure of office on the Grievance
20 Committee. The Union and the Company
21 shall each designate a Chairman, whose
22 functions shall be to prepare an agenda for
23 the Grievance Committee. If it has any
24 grievances to consider, the Grievance
25 Committee will meet each Thursday at 10:00
26 a.m. and remain in session, if necessary,
27 until the close of the shift. The Grievance
28 Committee may reconvene at 10:00 a.m. the
29 following day and shall continue during each
30 work day as long as it is mutually agreed to
31 be necessary to dispose of grievances that
32 have been referred to it. The Grand Lodge
33 Representative and/or Business Representative

1 of the Union and the Vice President of
2 **Human Resources** may participate at this
3 Step. The time spent in scheduled meetings
4 with Company representatives in Step Three
5 by members of the Union's Plant Grievance
6 Committee shall not result in loss of
7 compensation for such employees because
8 of time lost from their scheduled job
9 assignments.

10
11 Section 20. Within five (5) days of the
12 request by a discharged employee, the
13 Company shall furnish in writing to the
14 employee the reason for his/her termination.
15 An employee who is discharged or given a
16 disciplinary layoff shall be allowed to present
17 his/her case to the Departmental
18 Committeeman before leaving the plant
19 unless in the Company's judgment
20 circumstances necessitate his/her immediate
21 removal from the premises, in which case the
22 Departmental Committeeman, if requested,
23 shall have the privilege of talking to the
24 employee in a place designated by the Vice
25 President of **Human Resources**.

26
27 Section 21. No grievance, the basis of which
28 occurred prior to the date of the execution of
29 this Agreement, shall be considered nor
30 subject to adjustment, except those
31 grievances currently pending in the process
32 of adjustment.

1 Section 22. Any dispute between the
2 Company and any employee or the Union
3 regarding the application and/or
4 interpretation of this Agreement shall be
5 adjusted in accordance with the Grievance
6 Procedure set forth in this Agreement.

7
8 Section 23. A newly hired employee's
9 immediate supervisor will introduce him/her to
10 his/her departmental committeeman or alternate
11 within the first week of his/her employment.

12
13 Section 24. When a Company representative
14 is discussing disciplinary action against a de-
15 partmental committeeman, upon request the
16 committeeman may have a Union business
17 representative and committeeman of his/her
18 choice to represent him/her. If the committee-
19 man of his/her choice is not available, then the
20 departmental committeeman will be given the
21 opportunity to select another committeeman of
22 his/her choice to be present.

23
24 ARTICLE EIGHT
25 SENIORITY
26

27 Section 1. Seniority shall be computed by job
28 classification within a department based
29 upon length of service since last date of hire
30 at or transfer to Lockheed Martin Aeronautics
31 Company - Fort Worth and shall be applied
32 as described in this Article.

1 Section 2. Employees are considered as
2 probationary employees until they have
3 actually worked thirty-five (35) days after last
4 day of hire and may be terminated by the
5 Company without such employees having
6 recourse through the Grievance Procedure.
7 There shall be no responsibility for the recall
8 of probationary employees if they are laid off
9 or discharged during the probationary period.

10
11 Section 3-A. Except at the time of a mass
12 layoff, which shall be governed by Section 4-
13 A of this Article, and except in the event of a
14 voluntary layoff, which shall be governed by
15 Section 3-C of this same Article, if a
16 reduction in force, because of lack of work, is
17 necessary in a particular department,
18 employees within an occupation having less
19 than **ninety (90) days'** seniority shall be laid
20 off in accordance with the following
21 provisions:

22
23 (a) Probationary employees in the affected
24 occupation within the department shall be
25 laid off first and considered as being
26 terminated.

27
28 (b) If further reductions are necessary,
29 employees in the affected occupation
30 within a department shall be regressed in
31 order of least hire date seniority within the
32 affected occupation, provided that
33 employees retained are capable of

performing the available work, and shall be placed on the highest rated job within the department they are "capable of performing," displacing the least senior employees if necessary, provided such job is not in a higher labor grade. Employees who are not placed under this Section or other provisions of this Article will be laid off. Employees who are assigned to lower rated jobs shall retain their current rate or be reduced to a maximum of the lower rated job whichever is lower. The effective date of an employee's rate change, if any, is the move date shown on the Notice furnished by the Company; his/her seniority is established in the new classification on the move date shown on the Notice.

(c) In the application of this Section, an employee may accept a layoff instead of a reclassification to a lower rated job.

Section 3-B. Except in the event of a voluntary layoff which shall be governed by Section 3-C of this Article, if a reduction in force, because of lack of work, is necessary in a particular department, employees having **ninety (90) days** or more seniority shall be placed on the highest rated job within the bargaining unit they are capable of performing provided such job is not in a higher labor grade. Such employees shall

1 replace the least senior employees if
2 necessary. The effective date of an
3 employee's rate change, if any, is the move
4 date shown on the Notice furnished by the
5 Company; his/her seniority is established in
6 the new classification and/or department on
7 the move date shown on the Notice.

8
9 Section 3-C. An employee may make
10 application to the Company to be laid off out
11 of line of seniority, provided the following
12 procedure is followed, and subject to
13 approval and mutual agreement of the
14 Director of Employee Relations and the
15 President/Directing Business Representative
16 or their designated alternates:

17
18 (a) In a department and classification where
19 employees are scheduled for layoff, a
20 senior employee in the same department
21 and classification may make application
22 for a voluntary layoff out of line of seniority
23 replacing the senior most employee then
24 scheduled for layoff.

25
26 (b) The employee must submit an application
27 for voluntary layoff to the Company's
28 Labor Relations department. Applications
29 must be received by the Labor Relations
30 department no later than fifteen (15) days
31 after the layoff is announced by the Labor
32 Relations department. In the event of a
33 layoff to occur within a twenty-four (24)

1 hours period, applications must be
2 received within twelve (12) hours after the
3 layoff is announced by the Labor
4 Relations department. Applications for
5 voluntary layoff will be granted, in seniority
6 order, as soon as practicable.

7
8 (c)An application for voluntary layoff may not
9 be canceled by the applicant once
10 received by the Company's Labor
11 Relations department. In the event the
12 layoff is canceled by the Company, or the
13 application for voluntary layoff is not
14 granted at the time of the request, the
15 application will be considered canceled.

16
17 (d)An employee granted layoff under this
18 section will establish recall rights as
19 provided for elsewhere in the labor
20 agreement.

21
22 (e)An employee who is laid off under this
23 section shall not be entitled to use the
24 Career Transition Center or to any other
25 rights contained in Memorandum of
26 Agreement #30.

27
28 **Section 4-A. Employees with ninety (90)**
29 **days** seniority who are laid off out of line of
30 seniority at the time of mass layoff shall be
31 recalled in line of seniority within ten (10)
32 working days after layoff to jobs that are
33 operating in the plant and which they are

1 capable of performing, replacing less senior
2 employees if necessary. Employees with less
3 than **ninety (90) days** seniority who are laid
4 off out of line of seniority at the time of mass
5 layoff shall be recalled in line of seniority
6 within fifteen (15) working days after layoff to
7 jobs within their occupation that are
8 operating in their department, replacing less
9 senior employees if necessary. This Section
10 can be used only in the event that ten
11 percent (10%) or more of the employees in
12 the bargaining unit is laid off at one time.

13
14 Section 4-B. Employees who are not recalled
15 under Section 4-A will be recalled in line of
16 seniority as openings occur which they are
17 capable of performing. Employees shall be
18 recalled in this manner before new
19 employees are hired.

20
21 Section 5-A. "Capable of performing" as
22 used in this Article shall mean that the
23 employee has previously held at this Plant,
24 as a matter of Company record, since last
25 date of hire at or transfer to this Plant, the
26 same classification and field of specialization
27 for a continuous period in excess of thirty-five
28 (35) days.

29
30 Section 5-B. In addition to the "capable of
31 performing" rights set forth in this Article, an
32 employee holding a classification within a
33 "regression group" set forth in Appendix F,

1 shall have the right at a time of reduction in
2 force due to lack of work within his/her
3 department, classification and field of
4 specialization to transfer laterally or regress
5 as set forth in his/her respective "regression
6 group," seniority permitting. Regression
7 rights under this provision are in addition to
8 the rights which an employee has under
9 Sections 3-A, 3-B, 5, 6-A and 6-B of this
10 Article. Regressions under this Section shall
11 be in accordance with the following:

12
13 1. An employee with less than **ninety (90)**
14 **days** seniority may exercise regression
15 rights within his/her "regression group"
16 within his/her department.

17
18 2. In the event that an employee has
19 regression rights under Sections 3-A, 3-B,
20 or by other agreements between the
21 parties to a classification or classifications
22 in addition to his/her regression rights
23 within his/her "regression group," the
24 employee shall be placed in the highest
25 classification and field of specialization to
26 which he/she has regression rights under
27 either system, displacing the least senior
28 employee if necessary.

29
30 3. In view of the expanded regression rights
31 set forth in this Section, employees may
32 be reassigned laterally within or between
33 departments to the same or other

1 classifications within a "regression group."
2 This provision will be used solely for the
3 purpose of stabilizing the work force and
4 then not until the Company has attempted
5 to stabilize the work force by the use of
6 Section 9-A of this Article. Employees so
7 reassigned shall have their seniority
8 established in the new classification
9 and/or department on the move date
10 shown on the Notice furnished by the
11 Company. Prior to utilizing this provision,
12 the Company will notify and consult with
13 the District President. In the event the
14 parties cannot agree that the transfer of
15 employees under this provision is
16 necessary in order to stabilize the work
17 force, such disagreement shall be
18 immediately referable to arbitration.

19
20 Section 6-A. Any employee placed on a job
21 within the bargaining unit or whose job
22 hereafter becomes a part of the bargaining
23 unit or who is transferred to an occupation
24 outside of the bargaining unit at the Fort
25 Worth Company and who is later transferred
26 into a classification within the bargaining unit
27 shall serve a thirty-five (35) day probationary
28 period, and upon successful completion of
29 such probationary period, shall have
30 accumulated seniority from the last date of
31 hire with the Company, or of transfer to the
32 Company, at the Fort Worth Company,
33 provided that if transferred from another

1 bargaining unit at the Fort Worth Company,
2 the bargaining unit from which transferred
3 grants seniority rights to employees
4 transferring into that unit. However, seniority
5 credit will not be granted for service in other
6 Lockheed Martin Aeronautics Company -
7 Fort Worth bargaining units except through
8 written Mutual Agreement between the Vice
9 President of **Human Resources** and the
10 President and Directing Business
11 Representative of the Union.

12
13 Section 6-B. If the Company elects to return
14 a supervisor or other salaried employee to
15 the bargaining unit who was promoted from
16 the unit prior to 11 February 1991, such
17 employee shall be placed on the highest
18 rated job the employee previously held in the
19 unit, provided that the employee is "capable
20 of performing" such job classification. If the
21 returning employee's seniority will not permit
22 return to such highest rated job classification,
23 the employee will be regressed in
24 accordance with the other provisions of this
25 Article.

26
27 An employee promoted to a supervisor or
28 salaried position from the bargaining unit on
29 or after 11 February 1991 through 9 April
30 2000 will be considered by the Company for
31 return to the bargaining unit for a period not
32 to exceed five (5) years from the date of the
33 most recent promotion to the salaried or

1 supervisory position. Such employee shall be
2 placed on the highest rated job the employee
3 previously held in the unit, provided that the
4 employee is "capable of performing" such job
5 classification. If the returning employee's
6 seniority will not permit return to such highest
7 rated job classification, the employee will be
8 regressed in accordance with the other
9 provisions of this Article.

10
11 An employee promoted to a supervisor or
12 salaried position from the bargaining unit on
13 or after 10 April 2000 will be considered by
14 the Company for return to the bargaining unit
15 *provided the employee has not accumulated*
16 *more than a total of three (3) years as a*
17 *supervisor or salaried employee since 10*
18 *April 2000. Such employee shall be placed*
19 *on the highest rated job the employee*
20 *previously held in the unit, provided that the*
21 *employee is "capable of performing" such job*
22 *classification. If the returning employee's*
23 *seniority will not permit return to such highest*
24 *rated job classification, the employee will be*
25 *regressed in accordance with the other*
26 *provisions of this Article. Excluded from this*
27 *provision is any employee promoted directly*
28 *from the unit to a salaried or supervisory*
29 *position for an international assignment and*
30 *returned to the unit upon completion of the*
31 *assignment.*

1 If a bargaining unit, salaried or supervisor
2 employee is regressed under Article Eight,
3 Section 3-A, 3-B, 5-B, or 6-B and does not
4 qualify for a classification to which he/she
5 can regress under these provisions but
6 he/she has held as a matter of Company
7 record a lower classification which no longer
8 exists, he/she will be placed on a
9 comparable existing job, seniority permitting.

10
11 In the event that said employee's seniority
12 will not permit him/her to hold a job
13 classification within the unit under this
14 provision, the employee will be laid off from
15 the unit and will have recall rights as set forth
16 in this Agreement.

17
18 Section 7. A current monthly seniority record
19 shall be provided in each department. It shall
20 include the name, last hiring date, and
21 classification or code of all employees in the
22 bargaining unit within the department by
23 occupational groups. Employees having the
24 same hiring dates shall be listed in
25 alphabetical order of their last names at the
26 time of such hire date and employees having
27 name changes shall retain their same
28 position on the seniority record.* This record
29 shall be made available to Department
30 Committeemen in the office of the
31 Department Heads. A copy of the
32 departmental seniority list will be provided to
33 the Departmental Committeeman upon a

1 proper request submitted to the Department
2 Head. One copy of the monthly master
3 seniority list for the P&M unit will be provided
4 to the District President plus a combined
5 classification seniority list. The Company
6 shall notify a committeeman in the originating
7 department of all layoffs and mass transfers
8 as early as possible prior to layoffs or mass
9 transfers except in cases of emergency over
10 which the Company has no control and
11 subsequently furnish the Union with a list of
12 names of such employees laid off or
13 transferred. The Company shall furnish the
14 Union with a list of employees recalled after
15 such recalls occur. The Company shall
16 furnish to the Departmental Committeeman
17 the name and classification of each
18 employee within the bargaining unit
19 voluntarily transferred from or to the
20 department which he/she represents.

21
22 *See also, Appendix I, No. 3.

23
24 Section 8-A. An employee regressed under
25 any of the provisions of this Article to a job in
26 a lower labor grade, or one who is laid off
27 and subsequently recalled, shall be recalled
28 to higher rated job(s) which he/she is
29 capable of performing in accordance with
30 his/her hire date seniority as job vacancies
31 occur in that job or jobs, if he/she so desires.
32 Nothing contained in this Section shall be
33 construed so as to give an employee the

1 right to be recalled to a job which is in the
2 same or a lower labor grade as that which
3 the employee holds. An employee who
4 refuses recall under this Section shall lose
5 recall rights to the classification which he/she
6 refuses and to other classifications in the
7 same or lower labor grades. The effective
8 date of an employee's rate change, if any, is
9 the move date shown on the Notice furnished
10 by the Company; his/her seniority is
11 established in the new classification on the
12 move date shown on the Notice.

13
14 Section 8-B. An employee who is voluntarily
15 transferred by the Company in lieu of layoff
16 or regression to a lower rated job, shall be
17 offered the opportunity to return to the
18 classification and field of specialization from
19 which he/she was voluntarily transferred in
20 line of seniority with employees who may
21 have recall rights to the classification and
22 field of specialization as openings occur.

23
24 Section 9-A. Employees shall not be
25 transferred from one department to another
26 without their consent, unless such transfer is
27 necessary to utilize an employee's special
28 ability or when necessary to build up or
29 properly balance an adequate work force. In
30 applying this Section, the following steps
31 shall be taken:

1 (a) Employees shall be promoted to available
2 vacancies in accordance with Section 11
3 of this Article.

4
5 (b) If there are employees who have recall
6 and/or promotion rights to the
7 classification in the department to which a
8 transfer is to be made, the employee who
9 is being transferred must be "capable of
10 performing" the classification and must be
11 more senior than the employees with
12 promotion and/or recall rights before
13 he/she can be voluntarily transferred to
14 the classification and department.

15
16 (c) If there are no employees who have recall
17 and/or promotion rights to the
18 classification in the department to which a
19 transfer is to be made, the employee who
20 is being transferred need not be "capable
21 of performing" the classification. However,
22 every effort shall be made to transfer the
23 most senior employees who are "capable
24 of performing."

25
26 (d) Seniority upon transfer shall be
27 established in the new group after thirty-
28 five (35) calendar days; the initial day of
29 the thirty-five (35) calendar day period
30 required for establishing seniority in the
31 new classification and/or department is
32 the move date shown on the Notice.

1 (e)When an employee is voluntarily
2 transferred to a classification that he/she
3 is "capable of performing," seniority will be
4 established on the move date shown on
5 the Change in Employee Status and the
6 employee shall be averaged into the
7 overtime list upon the move date.

8
9 Section 9-B. An employee may be loaned
10 from one department to another department,
11 or within a department, for thirty-five (35)
12 calendar days. Loans may be made where
13 there is a temporary need for additional
14 employees or where there is a temporary
15 surplus of employees. Loans in excess of
16 thirty-five (35) calendar days must be agreed
17 upon between Union Business Representa-
18 tives and Labor Relations. The Company will
19 not make consecutive loans that continue
20 beyond thirty-five (35) calendar days so as to
21 deprive an employee of recall rights except
22 by agreement between Union Business
23 Representatives and Labor Relations. The
24 Company will attempt to notify the
25 Departmental Committeeman prior to loans
26 being made.

27
28 Section 10. An employee shall lose seniority
29 and employment will cease for any of the
30 following reasons:

31
32 (a)If the employee resigns.

1 (b)If the employee is discharged and is not
2 reinstated pursuant to operation of the
3 Grievance Procedure.

4
5 (c)If the employee, who has been laid off,
6 fails to report for work in the job offered
7 within seven (7) working days from the
8 date of mailing of a registered letter
9 addressed to the employee's last address
10 shown on the Company's records. The
11 employee is required to notify the
12 Company's Employment Section by
13 registered or certified mail of any change
14 in his/her address. In the event of any
15 question as to whether the employee
16 properly notified the Company of a change
17 in his/her address, the employee will be
18 obligated to provide proof of such
19 notification.

20
21 (d)If the employee fails to return to work at
22 the end of an authorized leave of
23 absence.

24
25 (e)(1)After an employee is absent due to
26 layoff for a period of more than ninety
27 (90) months. However only up to forty-
28 two (42) months of said ninety (90)
29 months shall be counted toward vesting
30 and early retirement points under the
31 Retirement Plan provided the employee
32 retains recall rights during said period.

33

1 (2)After an employee is absent due to
2 disability for a period of more than
3 twenty-four (24) months.
4

5 (f) If an employee is absent for more than
6 five (5) consecutive working days without
7 properly notifying the Company. However,
8 in a case where the reason given by the
9 employee for not being able to so notify is
10 not satisfactory to the Company, the
11 Grievance Procedure may be used to
12 establish the employee's inability to notify
13 of his/her absence.
14

15 Section 11. When an opportunity for
16 promotion arises within a department within
17 the bargaining unit, covered by this
18 Agreement, senior employees in the
19 department shall be promoted from the ranks
20 of the workers before any new employee or
21 employees with less seniority are called in to
22 fill such position or vacancy, provided such
23 senior employee is available and has the
24 necessary qualifications. The effective date
25 of an employee's rate change, if any, is the
26 move date shown on the Notice furnished by
27 the Company. Upon promotion an
28 employee's seniority in the new classification
29 is established on the move date shown on
30 the Notice.
31

32 Section 12. Under no circumstances is an
33 employee to lose his/her seniority due to an

1 authorized leave because of illness or
2 accident which does not exceed twenty-four
3 (24) months. The Company agrees to make
4 every reasonable effort to reinstate such
5 employee who has recovered from such
6 illness or accident, if his/her case warrants it.

7
8 Section 13. Departmental, Plant Grievance
9 Committeemen and members of the
10 Negotiating Committee with one (1) year of
11 service with the Company shall have top
12 seniority within their respective departments
13 as long as they remain officially in such
14 capacity for the Union and work is available
15 in their departments which they are capable
16 of performing.

17
18 Section 14. Seniority shall accumulate during
19 layoffs, subject to all of the provisions of
20 Section 10 of this Article. However, the
21 employee who chooses to decline the job
22 offered in a lower rated classification than
23 that from which he/she was laid off, but
24 wishes to retain seniority, must notify the
25 Company to this effect within two (2) working
26 days after receiving notice of recall. All
27 notices to the Company must be given by
28 registered mail or telegram and addressed to
29 the Company's Employment Section of the
30 **Human Resources** Department.

31
32 Section 15. "Proper Notice" in case of
33 reported absence shall mean a phone call to

1 the plant (Absentee Desk, 817-777-7515)
2 where recording service will be made
3 available twenty-four (24) hours a day, or a
4 telegram addressed to the Company's
5 **Human Resources** Department. The time
6 and date of a recorded phone call or of a
7 telegram shall govern in regard to time limits.

8
9 Section 16. The Company agrees that when
10 new employees in the bargaining unit enter
11 its employment they shall be given a printed
12 copy of this Agreement.

13
14 Section 17. The provisions of this Agreement
15 shall not apply to temporary layoff of five (5)
16 working days or less. An employee shall not
17 be temporarily laid off under this Section
18 more than once in any calendar year until all
19 other employees in the same classification
20 and field of specialization in the same
21 department shall have been temporarily laid
22 off once under this Section. Absences
23 caused by the application of this Section
24 shall not be counted for purposes of vacation
25 or sick leave eligibility. The provisions of this
26 Section shall apply only to layoffs caused by
27 the following: Contract cancellation,
28 temporary reduction of operating schedules,
29 material shortages, equipment failure, power
30 failure, fire, flood, Acts of God or other similar
31 emergencies.

1 ARTICLE NINE
2 RIGHTS OF MANAGEMENT

3
4 Section 1. The management of the plant and
5 the direction of the working force, including
6 the right to hire, classify, promote, demote,
7 suspend or discharge for proper cause, to
8 transfer or relieve employees from duty
9 because of lack of work, or for other
10 legitimate reasons, is vested exclusively in
11 the Company subject to all the provisions of
12 this Agreement.

13
14 ARTICLE TEN
15 LEAVE OF ABSENCE

16
17 Section 1. For just cause, the Vice President
18 of **Human Resources**, or his designated
19 representative, may grant employees leaves
20 of absence without pay and without loss of
21 seniority and for a period not to exceed thirty
22 (30) working days during any one (1) year.
23 The granting or disallowance of requests for
24 leaves of absence shall be left entirely to the
25 discretion of the Company.

26
27 Section 2-A. Employees of the Company
28 who have been selected by the Union as full
29 time Representatives of the Union for the
30 purpose of serving District Lodge 776 shall
31 be granted leaves of absence without pay for
32 a period of one (1) year to take care of Union
33 business provided that such employees have

1 had twelve (12) months of prior continuous
2 employment with the Company, and provided
3 further that reasonable notice of request for
4 leave is given. The time spent on such
5 leaves shall be counted as days absent for
6 purposes of determining vacation and sick
7 leave eligibility and such eligibility shall be
8 controlled by the provisions of Article Six of
9 this Agreement. Such leave of absence may
10 be renewed and extended from year to year
11 upon written request from the Secretary of
12 the Union ten (10) days prior to the expiration
13 thereof.

14
15 Section 2-B. Requests for leaves of absence
16 to serve as full time Union representatives for
17 purposes other than serving District Lodge
18 776 will require special Company approval
19 and will be considered on an individual basis.
20 **Effective 28 April 2003, the time spent on**
21 **such leaves shall be credited as service**
22 **under the Lockheed Martin Retirement**
23 **Plan for Certain Employees (hereinafter**
24 **"the Plan"); however, this amendment will**
25 **operate prospectively only and under no**
26 **circumstances will time spent on such**
27 **leaves prior to the effective date of this**
28 **amendment be credited as service under**
29 **the Plan.**

30
31 Section 3. Leaves of absence shall in no way
32 jeopardize the standing or rights of
33 employees except that the time absent shall

1 be deducted in computing automatic
2 increases and except as otherwise provided
3 in Section 2 of this Article. Upon his/her
4 returning to service, he/she shall be assigned
5 to his/her former position, or to work at least
6 comparable to the type of work which he/she
7 did last prior to the leave of absence, if
8 possible, and with seniority accumulated
9 through his/her leave.

10

11 Section 4-A. The Company and the Union,
12 recognizing the rights of employees under
13 the Uniform Services Employment and
14 Reemployment Rights Act of 1994, agree
15 that nothing contained in this Agreement
16 shall preclude the Company from re-
17 employing such employees in compliance
18 with its provisions or with related statutes.

19

20 Section 4-B. An employee who is unable to
21 report for regular scheduled work because
22 the employee is required to report for
23 "service in the uniform services," as that term
24 is defined in the Uniform Services
25 Employment and Reemployment Rights Act
26 of 1994, will be paid at the normal working
27 rate less compensation received for such
28 duty up to a maximum of ten (10) workdays
29 each fiscal year of the Government of the
30 United States. Additional days of duty, if any,
31 will be unpaid authorized leave. Such items
32 as subsistence, rental and travel allowance
33 will not be included in determining

1 compensation received for the duty. The
2 employee will submit the W-2 or pay voucher
3 received to assist the Company in
4 determining the amount of pay to be
5 received.

6
7 Section 5. Employees who enter the service
8 of the Peace Corps or VISTA, which have
9 been established by the Congress of the
10 United States, shall be granted a leave of
11 absence without pay for a two (2) year
12 period. An employee who leaves his/her
13 employment with the Company for this
14 purpose shall be paid all earned, unused sick
15 leave as defined in Article Six of this
16 Agreement, pro rata vacation and/or earned
17 vacation and shall be entitled to
18 reinstatement with seniority accumulated to
19 date of reinstatement upon return from
20 service in the Peace Corps or VISTA,
21 provided that (1) the employee reports for
22 reinstatement with the Company within
23 ninety (90) days after the expiration of his/her
24 period of service with the Peace Corps or
25 VISTA, and (2) the employee satisfactorily
26 passes the Company's medical examination.
27 Reinstatement, seniority permitting, after
28 service in the Peace Corps or VISTA, shall
29 be on a current basis to the classification and
30 field of specialization the employee would
31 have held had he/she remained in the
32 employ of the Company.

1 Section 6. The Company will notify the Union
2 as early as possible, either verbally or in
3 writing, of all leaves of absence.

4
5 Illness, Pregnancy and Disabling Injury
6 Leaves

7
8 Section 7. Leaves of absence for illness,
9 pregnancy or disabling injury shall be
10 authorized for employees on the active
11 payroll. Such leaves of absence shall be
12 uniformly administered in the following
13 nondiscriminatory manner:

14
15 Section 7-A. After an employee on the active
16 payroll becomes aware of an illness,
17 pregnancy or a disabling injury which
18 requires immediate absence from work, or
19 which in the future could require absence
20 from work, then such employee, as soon as
21 practical, shall report such illness, pregnancy
22 or disabling injury to the Employee Services
23 Section, and submit a statement signed by
24 the employee's physician detailing the
25 employee's condition and the approximate
26 period of disability.

27
28 Section 7-B. Any leave of absence shall be
29 limited to the length of time required to
30 recover from the employee's condition. An
31 extension will be granted when required by
32 the employee's condition providing the
33 employee complies with all notice and

1 reporting provisions. The employee must
2 return to work when it is determined that he
3 or she is physically able to resume the
4 normal duties of the employee's job. Failure
5 to do so shall be considered a voluntary
6 termination of employment. An authorized
7 leave of absence under this Section shall not
8 extend beyond twenty-four (24) months from
9 the last day worked except as otherwise
10 provided for in Article Eight, Section 10
11 (e)(2).

12
13 Section 7-C. When an employee returns from
14 such authorized leave, upon passing the
15 physical examination by qualified employees
16 of the Company's Medical Services Section,
17 the employee shall be reinstated to a job
18 within the employee's last job classification, if
19 such a job is available in accordance with the
20 employee's seniority rights. If such job is not
21 available, placement will be made in
22 accordance with the applicable layoff, recall,
23 regression or transfer provisions of Article
24 Eight (Seniority).

25
26 Section 7-D. In cases where a professional
27 disagreement between the Company's
28 Medical Services Section and the employee's
29 personal physician exists, then this matter
30 shall be settled in accordance with the
31 provisions of Article Seven (Union
32 Representation and Grievance Procedure).

1 Section 7-E. The vacation eligibility date and
2 sick leave eligibility date of the employee
3 shall be established in accordance with
4 Article Six of this Agreement.

5
6 ARTICLE ELEVEN
7 STRIKES AND LOCKOUTS
8

9 Section 1. During the life of this Agreement
10 no work stoppages, strikes (including
11 sympathy strikes) or slowdowns shall be
12 caused or sanctioned by the Union, and no
13 lockouts shall be made by the Company.

14
15 Section 2. Any employee, or employees,
16 individually or collectively, who shall cause,
17 or take part in, any strike (including sympathy
18 strikes), work stoppage, interruption, or any
19 impeding of work, during the life of this
20 Agreement, may be disciplined or discharged
21 by the Company subject to the Grievance
22 Procedure in Article Seven. Any such
23 grievance shall be instituted in Step Three of
24 the above described Article.

25
26 Section 3. In the event that any employee or
27 employees refuse to handle or perform any
28 work, or handle materials or machinery or
29 equipment because of the sources of supply
30 or the Union affiliation or non-affiliation of the
31 labor engaged in such work, the Union
32 agrees that they will, through their good
33 offices, promptly notify such employee or

1 employees that this is a violation of this
2 Agreement. Any employee or employees
3 who engage in such action may be
4 disciplined or discharged by the Company
5 subject to the grievance procedure in Article
6 Seven. Any such grievance shall be
7 instituted in Step Three of the above
8 described Article.

9
10 Section 4.

11
12 (a) If the Company alleges that any violation
13 of Section 1 of this Article has occurred or
14 is occurring, it shall be entitled to obtain
15 immediate arbitration of the violation. In
16 this event, notice shall be made by
17 telegram to the Union and to the Federal
18 Mediation and Conciliation Service
19 (FMCS). The arbitrator selected shall hold
20 a prompt hearing within forty-eight (48)
21 hours after receipt of the notice from the
22 Federal Mediation and Conciliation
23 Service and shall render an award within
24 twenty-four (24) hours after the hearing. In
25 such case, the arbitrator shall make
26 findings of fact concerning the alleged
27 violation; and if a violation shall be found
28 to have occurred or is occurring, he shall
29 order the party or parties or employee or
30 group of employees to desist from any
31 action in violation of this Article. In the
32 event the arbitrator enters an order to
33 desist from a violation of this Article, it is

1 agreed that the arbitrator shall make as
2 part of the order a provision in the award
3 to the effect that if the arbitrator finds there
4 is, thereafter, a continuing violation of this
5 Article during the term of this Agreement,
6 it shall automatically be deemed to be
7 subject to the desist order entered by the
8 arbitrator in such proceeding. When the
9 arbitrator presents to the parties a finding
10 that a violation of this Article was or is
11 occurring, the employer may proceed
12 forthwith to secure a court order to confirm
13 and/or enforce said desist order.

14
15 (b) Whenever a violation of this Article shall
16 be alleged by the Company, notification by
17 telegram shall be made by the Company
18 to the Federal Mediation and Conciliation
19 Service. The Federal Mediation and
20 Conciliation Service shall maintain a
21 permanent panel of five (5) arbitrators
22 whose selection has been approved in
23 advance by the parties. If the parties are
24 unable to agree upon the selection of such
25 a panel of permanent arbitrators by
26 December 1, 1981, the permanent
27 arbitrator as selected by the parties under
28 Article Seven shall be appointed to hear
29 any dispute under this Article. In the event
30 the permanent arbitrator is not available,
31 either party to this Agreement may notify
32 the Federal Mediation and Conciliation
33 Service and the Federal Mediation and

1 Conciliation Service shall appoint the
2 arbitrator. Cost of arbitration shall be
3 shared equally by the Company and the
4 Union.

5
6 (c)The remedy contained in this Section for
7 violation of the no-strike clause shall be in
8 addition to any other remedy the
9 Company may have in either law or equity
10 in any federal or state jurisdiction and
11 shall not be construed as the Company's
12 exclusive remedy.

13
14 ARTICLE TWELVE
15 BULLETIN BOARDS
16

17 Section 1. The Company shall supply on its
18 premises and in prominent places sufficient
19 Bulletin Boards for the use of the Union. The
20 Union agrees to sign all its notices and
21 present them to the Vice President of
22 **Human Resources** for his approval. The
23 Company agrees to post promptly all
24 approved notices on such Bulletin Boards.
25 Such notices shall be confined to the
26 following:

27
28 (a)Notices of Union Recreational and Social
29 Affairs

30 (b)Notices of Union Elections

31 (c)Notices of Union Appointments and Results
32 of Union Elections

33 (d)Notices of Union Meetings

1 ARTICLE THIRTEEN
2 CLEANUP PERIOD

3
4 Section 1. When it becomes necessary for an
5 employee to wash his/her hands because of
6 exposure to work causing more than usual un-
7 cleanliness, or to clean machinery or benches
8 or for the employee to return tools and equip-
9 ment to the tool crib, sufficient time will be per-
10 mitted for this purpose before the end of the shift.

11
12 Section 2. Employees who are temporarily
13 assigned outside their regular work area and
14 away from their time clock shall be granted
15 sufficient time to return to their clock area by
16 the end of their shift.

17
18 ARTICLE FOURTEEN
19 NURSES AND FIRST AID STATIONS

20
21 Section 1. There shall be maintained on all
22 working shifts registered nurses and first aid
23 stations to adequately administer to the
24 needs of the employees in the case of
25 accident or emergency illness except where
26 regular full shifts are not operating, such as
27 weekends, holidays, or where shifts have
28 been discontinued, in which case adequate
29 medical service will be provided.

30
31 ARTICLE FIFTEEN
32 SABOTAGE AND SECURITY
33 REGULATIONS

1 Section 1: The Union agrees to report to the
2 Company any acts of sabotage or damage to
3 the property of the Company, Government,
4 Customer, other person or employee, and
5 the Union further agrees, if any such acts
6 occur, to use its best efforts to assist in
7 apprehending the guilty person.

8
9 Section 2. Nothing in this Agreement shall
10 require the Company to employ or to
11 continue in its employment, or to give access
12 to any plant, factory, or site, any person or
13 persons whom either the Secretary of
14 Defense or the Secretary of the Army, or the
15 Navy, or the Air Force, or any of their duly
16 authorized representatives may designate in
17 writing, in the interest of security against
18 espionage, sabotage or subversive activity.

19
20 ARTICLE SIXTEEN
21 INVENTIONS
22

23 Section 1. Shop rights which the Company
24 may have are not waived by this Agreement;
25 however, the Company shall not exact or
26 require as a condition of employment, or as
27 part of its contract of employment, that any
28 invention or improvement made by an
29 employee shall belong to the Company
30 and/or the government except as provided in
31 the "Invention Agreements," which
32 Agreements are made part of this
33 Agreement, or required by federal statutes,

1 executive orders or governmental regulation.
2 Copies of the said Agreements shall be
3 distributed to employees upon request.

4 5 ARTICLE SEVENTEEN 6 APPRENTICESHIP

7
8 Section 1. In the event the Company
9 employs apprentices under this Agreement,
10 the Company and the Union will negotiate an
11 apprenticeship agreement.

12 13 ARTICLE EIGHTEEN 14 EDUCATIONAL FACILITIES AND NEW 15 TECHNOLOGY

16
17 Section 1. The Company will cooperate with
18 the Union to make educational facilities
19 available to its employees in order that they
20 may receive training to qualify them for work
21 in more than one department in the plant if
22 they so desire.

23
24 Section 2. Every effort shall be made to train
25 senior employees within a classification and
26 field of specialization within a department
27 where such training is necessitated by the
28 introduction of new machines or processes
29 within the department, provided such senior
30 employees are available, have the ability to
31 absorb such training, and are physically
32 qualified to utilize such training.

1 New Technology/Job Security

2

3 Section 3. The Company and the Union
4 agree that it is to their mutual benefit and a
5 sound economic goal to utilize the most
6 efficient machines, processes, methods and
7 materials. In this way the Company will be
8 able to remain competitive in the aerospace
9 aircraft industry and continue to provide
10 economically secure jobs for its employees.

11

12 Section 4. A Technology Change Committee
13 comprised of three Union representatives
14 and three Company representatives shall be
15 formed. This Committee shall be notified by
16 the Company as far in advance as possible
17 on when the decision is made of any planned
18 introduction of equipment or machines that
19 will have a major impact on bargaining unit
20 members.

21

22 Section 5. The Technology Change Com-
23 mittee will be briefed in detail on the impact
24 of the new technology on Union members.
25 During the briefings, the Company will inform
26 the Committee of anticipated schedules of
27 new technology introduction; estimated num-
28 bers of employees directly affected and if
29 related training is feasible, necessary and
30 appropriate.

31

32 Section 6. Whenever the Company determines
33 that employee training will be feasible,

1 appropriate and necessary to qualify
2 employees to perform the new or changed
3 work resulting from new technology
4 introduction, such training programs will
5 include the Technology Committee's
6 appropriate recommendations. The Company
7 shall first consider training senior employees in
8 the department and field of specialization
9 affected by new technology providing such
10 senior employees have the ability to absorb
11 such training and are physically qualified.

12
13 Section 7. When existing job duties are
14 affected by the new technology, the
15 Company will advise the Committee of the
16 necessary changes to be made; the
17 proposed job description, appropriate
18 classification and labor grade in accordance
19 with the terms of Article Three, Section 2,
20 New Job Classifications. Grievances, if any,
21 unresolved in Step III will be certified to
22 arbitration and shall be heard by a mutually
23 selected ad hoc arbitrator.

24
25 Section 8. Employees who will be regressed
26 or laid off because of new technology shall, if
27 they possess the necessary qualifications, be
28 offered the opportunity to be retrained to
29 learn new skills, and placed in a new
30 classification when the Company is in a labor
31 build-up mode, or when there is a shortage
32 of skills in existing areas where the Company
33 is in need of additional labor.

1 In the event new technology will displace
2 current employees in a department with
3 employees on different classifications in a
4 different department, the Committee shall
5 meet to provide for orderly transition of
6 employees from the current department to
7 the new department on an availability and
8 requirement basis.

9
10 Section 9. The more senior employees in the
11 classifications affected will have the first
12 opportunity to transfer. If additional training is
13 required, it will be provided.

14
15 Section 10. All current or revised job
16 classifications in the bargaining unit which
17 are changed as a result of technological
18 change shall remain within the bargaining
19 unit.

20
21 ARTICLE NINETEEN
22 SALARIED EMPLOYEES
23

24 Section 1. Foremen or other supervisors
25 shall act in a supervisory capacity only, and
26 they shall not perform work of a production
27 nature or operations performed by a regular
28 workman or operator at any time whatsoever
29 except:

30
31 (a) in cases of emergency over which the
32 Company has no control, or
33

1 (b)research work of an experimental or
2 special mechanical nature when
3 necessary, or
4

5 (c)to properly instruct the employees, but
6 they shall not displace any employee.
7

8 Section 2. Professional and Administrative
9 and other salaried employees shall not
10 perform work of a production nature or
11 operations performed by a regular workman
12 or operator at any time whatsoever except:
13

14 (a)in cases of emergency over which the
15 Company has no control, or
16

17 (b)research work of an experimental or
18 special mechanical nature when
19 necessary, or
20

21 (c)to properly instruct the employees, but
22 they shall not displace any employee.
23

24 ARTICLE TWENTY 25 FLIGHT PAY 26

27 Section 1. All hourly paid employees shall be
28 compensated for all time spent in flying
29 required in the performance of the duties of
30 adjusting, recording or operating equipment
31 during test flights at the rate of (1) five dollars
32 (\$5.00) per hour for propeller-driven aircraft
33 or combination propeller-driven and jet-

1 powered aircraft and (2) eight dollars (\$8.00)
2 per hour for all jet-powered aircraft, in addition
3 to their regular wages. A minimum of one (1)
4 hour's flight pay will be paid for the first
5 ascension on any calendar day. For additional
6 ascensions on the same calendar day, flight
7 pay shall be at the rate specified above
8 computed to the actual minute worked.

9
10 ARTICLE TWENTY-ONE
11 JURY DUTY
12

13 Section 1. When an employee is absent from
14 work for reason to serve as a juror, or to
15 serve on a Grand Jury, or to report to the
16 court in person in response to a jury duty
17 summons, or when an employee has been
18 legally subpoenaed as a witness in a case in
19 a court of law to which the employee is not a
20 party directly or indirectly or as a member of
21 a class, or to report for jury examination,
22 he/she shall be granted pay for those hours
23 for which he/she is absent from work during
24 his/her regular eight-hour day or regular five-
25 day work week for such reason, less the fee
26 or other compensation entitlement paid
27 him/her with respect to such jury duty service
28 or subpoenaed witness duty. However, if an
29 employee is subpoenaed to testify against
30 the Company or the Union, the employee will
31 not be eligible for such pay. Upon mutual
32 agreement between the Company and the
33 Union, exceptions to the exclusions for

1 subpoenaed witness pay may be made in
2 cases of employees subpoenaed by the
3 District Attorney to testify for the prosecution
4 in criminal cases. Pay for such work time lost
5 shall in no event exceed for any one
6 employee, a total of thirty (30) regular eight-
7 hour work days in any one calendar year,
8 less the fee or other compensation paid
9 him/her with respect to such jury duty. Pay
10 for such work time lost shall be computed at
11 the employee's regular base rate of pay at
12 the time of such absence excluding any
13 overtime, shift bonus, or any other premium.
14 In no case will payment be made for jury duty
15 performed on the sixth or seventh day of an
16 employee's regular assigned work week or
17 for hours in excess of the employee's regular
18 eight-hour workday. Employees will not be
19 compensated for subpoenas issued as a
20 result of other employment.

21
22 Section 2. This will confirm our discussions
23 during negotiations concerning Article
24 Twenty-One, Jury Duty. In the event an
25 employee is required to be absent from work
26 to serve on jury duty for more than thirty (30)
27 days in a calendar year, the employee's
28 situation will be reviewed on an individual
29 basis.

30
31 Section 3. If an employee assigned to the
32 night shift or third shift is absent from his/her
33 work on such shift on the calendar day

1 he/she serves as a juror, such absence shall
2 be deemed to be an absence from work in
3 order to serve as a juror.

4
5 Section 4. Pay for work time lost by an
6 employee will be paid only when he/she
7 cannot serve as a juror, report to the court in
8 person in response to a jury duty summons
9 or legal subpoena, or report for jury duty
10 examination on his/her own time.

11
12 Section 5. To receive pay for work time lost
13 an employee must promptly notify his/her
14 supervisor of any notice he/she receives to
15 report for jury examination or to report for
16 jury duty and must provide the Company with
17 a statement filed by an official of the court
18 certifying as to the employee's service as a
19 juror or appearance in court for that purpose,
20 the date or dates of attendance and the
21 compensation paid him/her exclusive of
22 transportation allowance.

23
24 ARTICLE TWENTY-TWO
25 ASSIGNMENT

26
27 Section 1. This Agreement shall be binding
28 upon the successors and assigns of the
29 Company, and no provisions, terms, or
30 obligations herein contained shall be
31 affected or changed in any respect by the
32 consolidation, merger, sale, transfer, or
33 assignment of the Company, or affected or

1 changed in any respect by any change in the
2 legal status, ownership, or management of
3 the Company, or by any change
4 geographically by or otherwise of the
5 location of the Company's business in
6 respect to the Company's Fort Worth, Texas
7 plant.

8
9 **ARTICLE TWENTY-THREE**
10 **PER DIEM, TRAVEL AND MILEAGE**
11 **ALLOWANCE**

12
13 Employees will be reimbursed for
14 transportation and travel expenses while on
15 travel status, excluding vacations and
16 authorized leaves of absence without pay, in
17 accordance with the provisions of this Article.

18
19 **Per Diem and Travel Allowance**

20
21 **Section 1-A.** Employees on domestic
22 assignments of less than eleven (11) months'
23 duration shall be paid an allowance for
24 miscellaneous and incidental expenses
25 (M&IE), in accordance with the per diem
26 rates set forth by the Federal Government
27 and periodically revised and updated in the
28 Federal Register, plus reasonable actual
29 lodging expense.

30
31 **Section 1-B.** A reduced allowance shall be paid
32 to employees utilizing government quarters at
33 various bases, test centers, and other locations

1 where low-cost or Company financed lodging
2 is available. In lieu of the allowance specified in
3 Section 1-A, employees shall be paid only the
4 per diem rate for miscellaneous and incidental
5 expenses (M&IE).

6 7 **Transportation Allowance**

8
9 Section 2. If travel by public transportation is
10 authorized by the Company, first-class train
11 fare plus Pullman lower berth or scheduled
12 tourist or coach airline fare including extra
13 charge for jet travel will be allowed.

14
15 If travel by personal automobile on Company
16 business is authorized by the Company,
17 **reimbursement will be at the current**
18 **allowable mileage reimbursement rate as**
19 **defined by the Internal Revenue Service**
20 **(IRS), not to exceed the mileage of the most**
21 **direct route as shown in the most recent**
22 **edition of the Rand-McNally Highway**
23 **Mileage Chart will be allowed.**

24
25 Complaints regarding the interpretation
26 and/or application of this Article shall be
27 referred to the Vice President of **People and**
28 **Organization Services**, or his designated
29 representative, by the IAM District President.

30 31 **ARTICLE TWENTY-FOUR** 32 **EQUAL OPPORTUNITY** 33

1 The Company agrees to continue its present
2 non-discriminatory policy offering equal
3 opportunities for available jobs to qualified
4 employees without regard to sex, race,
5 creed, color, national origin, age, or disability.

6
7 Neither the Company nor the Union, in
8 carrying out their obligations under this
9 Contract, shall discriminate in any manner
10 whatsoever against any employee because
11 of sex, race, creed, color, national origin,
12 age, or disability.

13
14 ARTICLE TWENTY-FIVE
15 GROUP INSURANCE AND HEALTH
16 EXPENSE BENEFITS

17
18 Section 1. Employee and Dependent
19 Coverage

20 All group insurance and health expense
21 benefits which include medical, dental,
22 prescription drug coverages and employee
23 premium payments or equivalent established
24 under the terms of the contract between the
25 Company and the Union in effect
26 immediately prior to the effective date of this
27 Agreement, shall remain in full force and
28 effect for the duration of this Agreement,
29 except as and until modified by the agreed
30 upon amendments set forth in Appendix C-1,
31 C-2, C-3, C-4, C-5, C-6 and C-7 or the
32 further provisions of this Article.

1 Section 2. Determination of Employee
2 Premium Rate for Optional Life Insurance

3 The employee weekly contributions for the
4 amounts of optional life insurance set forth in
5 the Life Insurance Schedules in Appendix
6 C-1 shall be based upon **estimated future**
7 **experience as determined by the**
8 **insurance carrier in accordance with**
9 **accepted actuarial principles.** The rate for
10 **the current coverage shall remain in effect**
11 **until 1 January 2004,** at which time such rate
12 will be reviewed and may be increased or
13 decreased according to past and estimated
14 future experience as determined by the
15 insurance carrier in accordance with
16 accepted actuarial principles. Again on 1
17 January 2005, and 1 January 2006, the rates
18 in effect for optional life insurance
19 **coverages** for the previous policy year will
20 be reviewed and may be increased or
21 decreased according to past and estimated
22 future experience as determined by the
23 insurance carrier in accordance with
24 accepted actuarial principles.

25
26 Section 3. The Company shall have the
27 responsibility for the administration of the
28 group insurance and the health expense
29 benefits program.

30
31 Section 4. No matter respecting the group
32 insurance and health expense benefits
33 program or any differences arising

1 thereunder, including the rates which are
2 established by the insurance carrier, shall be
3 subject to the Grievance Procedure
4 established in this Agreement.

5
6 Section 5(a). Health Maintenance
7 Organizations (HMO)

8 The Company will offer to the employees to
9 which this Agreement relates, when and to the
10 extent required by P. L. 93-222, being the
11 Health Maintenance Organization Act of 1973,
12 such optional provisions for the furnishing of
13 health services as may be required by the Act.
14 The Company cost of its health benefits plan to
15 be allowable toward the cost of the HMO plan
16 elected by any employee shall be established
17 annually as of 1 January of each year of the
18 Agreement based on past and estimated future
19 experience as determined in accordance with
20 accepted actuarial principles. This allowable
21 Company cost shall include the estimated cost
22 of any increase in negotiated health benefits
23 since the last review and shall be applicable for
24 the ensuing twelve months until the next
25 annual review. Any employee contributions
26 described in Appendix C-1, Section F of this
27 Agreement are in addition to such cost
28 determined pursuant to this Section.

29
30 Effective 1 January 2004, prescription drug
31 benefits will no longer be provided by the
32 HMO. Employees who elect HMO coverage
33 will obtain their prescriptions through the

1 **Company self-funded Prescription Drug**
2 **Plan. Physician visits copays will be \$10.00**
3 **and emergency room copays will be \$25.00**
4 **for covered employees under an HMO plan.**

5
6 **Section 5(b). Point of Service (POS)**

7 The company will offer to the employees to
8 which this Agreement relates the option to
9 elect a Point of Service for medical coverage
10 for which the Company has contracted. The
11 terms of the Plan will be summarized in a
12 separate Summary Plan Description. Copies
13 of this Summary Plan Description will be
14 furnished to the Union and to each employee
15 eligible for the Plan. The Company cost of its
16 health benefits plan to be allowable toward
17 the cost of the POS plan elected by any
18 employee shall be established annually as of
19 1 January of each year of the Agreement
20 based on past and estimated future
21 experience as determined in accordance with
22 accepted actuarial principles. This allowable
23 Company cost shall include the estimated
24 cost of any increase in negotiated health
25 benefits since the last review and shall be
26 applicable for the ensuing twelve months
27 until the next annual review. Any employee
28 contributions described in Appendix C-1,
29 Section F of this Agreement are in addition to
30 such cost determined pursuant to this
31 Section.

1 **Section 5(c). Preferred Provider**
2 **Organization (PPO)**

3 The company will offer to the employees
4 to which this Agreement relates the
5 option to elect a Preferred Provider
6 Option for medical coverage for which the
7 Company has contracted. The terms of
8 the Plan will be summarized in a separate
9 Summary Plan Description. Copies of
10 this Summary Plan Description will be
11 furnished to the Union and to each
12 employee eligible for the Plan. The
13 Company cost of its health benefits plan
14 to be allowable toward the cost of the
15 PPO plan elected by any employee shall
16 be established annually as of 1 January of
17 each year of the Agreement based on
18 past and estimated future experience as
19 determined in accordance with accepted
20 actuarial principles. This allowable
21 Company cost shall include the estimated
22 cost of any increase in negotiated health
23 benefits since the last review and shall be
24 applicable for the ensuing twelve months
25 until the next annual review. Any
26 employee contributions described in
27 Appendix C-1, Section F of this
28 Agreement are in addition to such cost
29 determined pursuant to this Section.

30
31 **Section 6(a). Prepaid Dental Plans**

32 The Company will offer to the employees to
33 which this Agreement relates the option to

1 elect a Prepaid Dental Plan for dental care
2 coverage to the extent that such coverage is
3 available for which the Company has
4 contracted with for such coverage. The cost
5 of such Prepaid Dental Plan shall be paid by
6 the employee to the extent that the cost of
7 such elected Prepaid Dental Plan exceeds
8 the company contribution for the
9 **Comprehensive** Dental Plan under this
10 Agreement based on either single or family
11 coverage, whichever is applicable to the
12 employee so electing such Prepaid Dental
13 Plan. The Company cost of its
14 **Comprehensive** Dental Plan to be allowable
15 toward the cost of the Prepaid Dental Plan
16 elected by any employee shall be
17 established annually as of 1 January of each
18 year of the Agreement based on past and
19 estimated future experience as determined in
20 accordance with accepted actuarial
21 principles. This allowable Company cost
22 shall include the estimated cost of any
23 increase in negotiated dental benefits since
24 the last review and shall be applicable for the
25 ensuing twelve (12) months until the next
26 annual review.

27
28 **Section 6(b). Dental Plans**

29 **The Company will offer to the employees**
30 **to which this Agreement relates the**
31 **option to elect a Comprehensive Dental**
32 **Plan for dental coverage for which the**
33 **Company has contracted. The cost of the**

1 Comprehensive Dental Plan shall be
2 entirely company paid. The Company
3 cost of the Comprehensive Dental Plan
4 shall be established annually as of 1
5 January of each year of the Agreement
6 based on past and estimated future
7 experience as determined in accordance
8 with accepted actuarial principles. This
9 allowable Company cost shall include the
10 estimated cost of any increase in
11 negotiated dental benefits since the last
12 review and shall be applicable for the
13 ensuing twelve (12) months until the next
14 annual review.

15
16 Section 7. Federal or State Health
17 Requirements

18 If during the term of this Agreement, there is
19 established by federal or state government, a
20 program such as national health insurance
21 that affords to employees covered by this
22 Agreement similar benefits (such as but not
23 limited to medical, surgical, hospital, major
24 medical, dental and prescription drug
25 benefits) to those that are afforded by this
26 Agreement, benefits afforded by this
27 Agreement shall be modified in whole or in
28 part to the extent required so as to integrate
29 or so as to eliminate any duplication of such
30 benefits with the benefits provided under
31 such governmental program with the intent to
32 provide from all sources at least the level of
33 benefits agreed upon under this Agreement.

1 The Company shall make whatever
2 amendments or changes to the health benefit
3 plans and their operation necessary to
4 assure continued compliance with the law.

5
6 Section 8. Continuation of Health Insurance
7 Continuation of health benefits (under
8 Medical/Dental/Vision Plans, as appropriate)
9 will be offered for the periods described in
10 the Consolidated Omnibus Budget
11 Reconciliation Act of 1985 (COBRA) to those
12 employees and dependents who lose
13 coverage as a result of "a qualifying event",
14 as defined under the Act. The full cost of
15 such coverage continuation plus applicable
16 administration fees will be paid by the
17 employee or dependent(s).

18
19 ARTICLE TWENTY-SIX
20 RETIREMENT PLAN
21

22 Section 1. The Retirement Plan agreed to
23 between the Company and the Union and in
24 effect immediately prior to the effective date
25 of this Agreement shall remain in full force
26 and effect for the duration of this Agreement
27 except as and until modified by the agreed
28 upon changes set forth in Appendix B or the
29 further provisions of this Article.

30
31 Section 2. The Company shall have the
32 responsibility for the administration of the
33 Retirement Plan except as otherwise

1 specifically provided in any separate
2 Agreement relating to the Retirement Plan
3 and its administration in effect between the
4 Company and Union.

5
6 Section 3. No matter respecting the
7 Retirement Plan or any differences arising
8 thereunder shall be subject to the Grievance
9 Procedure established in this Agreement.

10
11 ARTICLE TWENTY-SEVEN
12 LOCKHEED MARTIN CORPORATION
13 HOURLY EMPLOYEE SAVINGS PLAN
14 PLUS
15

- 16 1. The Lockheed Martin Corporation Hourly
17 Employee Savings Plan Plus (the Plan or
18 HSP) agreed to between the Company
19 and the Union, as described in this
20 Article, shall go into effect 1 October
21 2000 and remain in force for the duration
22 of this Agreement.
23
24 2. The Company shall have the
25 responsibility for the administration of the
26 Lockheed Martin Corporation Hourly
27 Employee Savings Plan Plus.
28
29 3. No matter respecting the Lockheed
30 Martin Corporation Hourly Employee
31 Savings Plan Plus or any differences
32 arising thereunder shall be subject to the

1 Grievance Procedure established in this
2 Agreement.

3
4 4. Government Approvals: The Lockheed
5 Martin Corporation Hourly Employee
6 Savings Plan Plus as agreed to between
7 the Company and the Union shall be
8 contingent upon approval by the Internal
9 Revenue Service and its compliance with
10 all applicable provisions of the Employee
11 Retirement Income Security Act of 1974
12 (ERISA), subsequent amendments, and
13 any other laws affecting qualified
14 retirement plans and the regulations and
15 orders issued pursuant to such laws. The
16 Company shall make whatever
17 amendments or changes to the Plan and
18 its operation necessary to assure
19 continued compliance with the law and
20 continuation as a tax qualified plan.

21
22 5. The terms of the Plan are summarized in
23 a separate Summary Plan Description.
24 Copies of this Summary Plan Description
25 will be furnished to the Union and to each
26 employee eligible for the Plan.

27
28 6. Effective 1 October 2000, all employees
29 who are (or become) eligible to make
30 contributions to the Plan may elect the
31 following:

32 a. Employee Basic (Matched) Contributions
33

1 Employees may elect to contribute up
2 to \$48 weekly in \$1 increments.
3 Contributions may be in 401 (a) and/or
4 401 (k) or a combination of both.
5

6 b. Employee Supplemental (Unmatched)
7 Contributions
8

9 Employees may elect to contribute up
10 to \$56 weekly in \$1 increments.
11 Contributions may be in 401 (a) and/or
12 401 (k) or a combination of both.
13

14 c. Company Matching Contributions
15

16 Each dollar of Basic (Matched)
17 Contributions will be matched by the
18 Company at 60% in cash.
19

- 20 d. There are currently fourteen (14) In-
21 vestment Options provided in the Plan
22 and they are described in the Sum-
23 mary Plan Description. The Lockheed
24 Martin Investment Management
25 Company (LMIMCO) monitors and
26 manages these funds in their fiduci-
27 ary capacity. LMIMCO in its fiduci-
28 ary capacity may deem it appropri-
29 ate to change the funds from time to
30 time to ensure that funds provided
31 are performing in the best interest of
32 Plan participants. The current In-
33 vestment Options are listed below.

Additional detailed information is provided in the Summary Plan Description.

1. Stable Value Fund
2. **S&P 500 Indexed Equity Fund**
(formerly Indexed Equity Fund)
3. **Pyramid Broad Market Bond Index Fund**
4. **Aggressive Asset Allocation Fund**
5. **Moderate Asset Allocation Fund**
6. **Conservative Asset Allocation Fund**
7. **Small/Mid-Cap Indexed Equity Fund**
8. Investment Company of America Fund
9. Vanguard Windsor Fund
10. American Century Growth Fund
11. **Putnam International Equity Fund**
12. New Perspective Fund
13. Company Common Stock Fund
14. ESOP Fund

7. Employees who continue employment beyond age 70 and $\frac{1}{2}$ will not be required to commence a distribution until termination. Upon termination and the attainment of age 70 and $\frac{1}{2}$, employees will be required to receive a distribution equal to the required

1 minimum distribution as established
2 by the Internal Revenue Code.
3 However, terminated employees may
4 elect to defer receiving distributions from
5 the Lockheed Martin Corporation Hourly
6 Employee Savings Plan Plus until 1 April
7 of the year following the attainment of
8 age 70 and ½. This is in accordance with
9 the Internal Revenue Code and the Tax
10 Reform Act of 1986 as amended.

11
12 ARTICLE TWENTY-EIGHT
13 EMPLOYEES ON TRAVEL STATUS

14
15 Pursuant to the National Labor Relations
16 Board certifications set forth in Article One,
17 Recognition, the Company and Union agree
18 that the provisions of the Company-Union
19 Agreement (Production and Maintenance
20 Unit) dated 20 December 1993 shall apply to
21 full-time hourly rated employees within the
22 bargaining unit or units set forth in said
23 Agreement who are assigned to travel status
24 by the Company, except as modified below:
25 Employees on assignments contemplated to
26 last less than eleven (11) months shall be
27 paid per diem, travel and mileage allowance
28 in accordance with Article Twenty-Three.

29
30 Article Eight - Seniority

31
32 The Company will first attempt to fill its
33 requirements by selecting employees for

1 travel status for those classifications which
2 the Company deems necessary, on a
3 voluntary basis. However, the Company
4 may, at its discretion, hire employees at or
5 for a location outside of Tarrant County,
6 Texas.

7
8 1. Each employee on travel status shall
9 accrue seniority for the duration of his/her
10 individual assignment. During such period
11 of time he/she shall not be affected by the
12 application of seniority provisions at the
13 Fort Worth, Texas, facility.

14
15 2. When it is determined by the Company
16 that the travel status of the employee is
17 completed and the employee is returned
18 by the Company to his/her permanently
19 assigned location, he/she shall be placed
20 in his/her last department, section, and
21 upon the classification he/she held
22 immediately prior to his/her assignment to
23 travel status.

24
25 3. If the employee was assigned from and
26 returned to the Company's Fort Worth,
27 Texas, plant and his/her seniority will not
28 hold in his/her department and upon the
29 classification and field of specialization
30 he/she held immediately prior to his/her
31 assignment to travel status, he/she will be
32 regressed or laid off on a current basis
33 from such classification and field of

1 specialization under the applicable
2 provisions of the Company-Union
3 Agreement.
4

5 Pursuant to our discussions in negotiations
6 regarding the application of Article Twenty-
7 Eight, the Company confirms its intent that in
8 the selection of employees for off-site
9 assignment under this Article, the Company
10 will attempt to follow seniority of the qualified
11 volunteers from within the classification and
12 field of specialization to be utilized on the
13 assignment provided such selections do not
14 conflict with customer requirements, affect
15 production schedules or affect the efficiency
16 of the operation.

17
18 Further, in the selection of employees for
19 return from an off-site assignment, the
20 Company will consider employees in line of
21 seniority from among volunteers within the
22 affected classification and field of
23 specialization provided their selection would
24 not conflict with customer requirements or
25 affect the efficiency of the operation.

26
27 Nothing contained herein modifies or affects
28 the Company's right to hire employees at or
29 for a location outside of Tarrant County,
30 Texas.

31
32 ARTICLE TWENTY-NINE
33 PERMANENT OFF-SITE ASSIGNMENTS

1 The Company and the Union agree that the
2 provisions of the Company-Union Agreement
3 shall apply to employees within the
4 bargaining unit set forth in the Recognition
5 Article of said Agreement who are
6 permanently transferred to or hired for the
7 Company's Off-Site Base at Edwards Air
8 Force Base, California, or any other domestic
9 off-site base outside of Tarrant County,
10 Texas, that may be established for the F-111
11 Flight Test Program, the F-16 Flight Test
12 Program, A-12 Flight Test Program, the YF-
13 22 Flight Test Program, or NASP Flight Test
14 Program for which Lockheed Martin
15 Aeronautics Company - Fort Worth is
16 responsible to which employees are
17 permanently transferred under this
18 Agreement, except as modified by the
19 following provisions.

20
21 I. Definition

22
23 A. An employee is permanently
24 transferred from the Fort Worth, Texas,
25 facility to the off-site base when the
26 Company expects such transfer to be in
27 excess of eleven (11) months and
28 thereby deems the employee
29 permanently transferred.

30
31 B. This Agreement is not applicable to an
32 off-site assignment contemplated to last
33 less than eleven (11) months. An off-

1 site assignment which the Company
2 contemplates will last less than eleven
3 (11) months will be covered by the
4 provisions of Article Twenty-Three and
5 Article Twenty-Eight of the Company-
6 Union Agreement.

7
8 II. Article Three - Job Classifications and
9 Wage Rates

10
11 A. An employee assigned to a
12 classification in Factory Labor Grade 01
13 through 15 and Technical and Office
14 Labor Grades 01 through 14 at an off-
15 site base under the provisions of this
16 Agreement will receive a field rate of
17 75¢ per hour above his/her regular
18 hourly rate of pay while assigned to and
19 working at the off-site base. This field
20 rate shall become effective the first
21 Monday following his/her acquiring a
22 residence at the off-site base. This field
23 rate shall cease the first Monday
24 following the first day of travel upon
25 temporary assignment away from the
26 base, (and begin again the first Monday
27 following return to the base), the first
28 Monday following the first day of travel
29 upon permanent assignment to another
30 base and shall cease upon the first
31 Monday following the first day of travel
32 on permanent transfer to the Fort
33 Worth, Texas, facility.

1 III. Article Seven – Union Representation and
2 Grievance Procedure

3
4 A. Section 9 – Applicable as written
5 except that the time limits set forth in
6 the first paragraph shall be fifteen (15)
7 working days rather than eight (8)
8 working days. The time limits set forth
9 in sub-paragraph (b) shall be fifteen
10 (15) working days rather than three (3)
11 working days.

12
13 B. Grievances not settled in Step II at the
14 base shall be certified to Step IV of the
15 Grievance Procedure at Fort Worth
16 within fourteen (14) calendar days from
17 the date answered in Step III at the
18 base.

19
20 IV. Article Eight—Seniority

21
22 The parties agree that the following shall
23 apply:

24
25 A. Selection of Employees for Off-Site
26 Bases

27
28 1. The Company will attempt to fill its
29 requirements for employees at a
30 permanent off-site location by se-
31 lecting employees for classifications
32 the Company deems necessary on a
33 voluntary basis. However, the Com-

pany may, at its discretion, hire employees at or for a permanent off-site base.

2. Employees recalled from layoff status at the Fort Worth, Texas, facility for permanent assignment to the off-site base, will be governed by the following:

- (a) Employees will be recalled in line of seniority subject to their agreeing to accept a permanent off-site assignment. A refusal of recall under this procedure will not affect the employee's recall status for jobs at the Fort Worth, Texas, facility.

B. Provisions Applicable at Off-Site Bases

1. An employee hired for or permanently transferred to an off-site base shall not be deemed a part of any seniority group at the Fort Worth, Texas, facility or at any other off-site base during the period of such assignment. An employee permanently transferred to an off-site base will accumulate seniority from the last date of hire at the Fort Worth, Texas, facility while assigned to the off-site base. An employee

1 hired for an off-site base will
2 accumulate seniority from last date
3 of hire at the base. An employee
4 transferred from another Lockheed
5 Martin Company to an off-site base
6 will accumulate seniority from last
7 date of transfer from another
8 Division to the base. Seniority rights
9 will be exercised as provided below:

- 10
11 2. An off-site base employee who is
12 permanently laid off at an off-site
13 base and who has recall rights at the
14 off-site base shall have recall rights
15 at the Fort Worth, Texas, facility to
16 jobs he/she is capable of performing
17 in Factory Labor Grades 01 through
18 05 and Technical and Office Labor
19 Grades 01 through 04 for a period of
20 ninety (90) calendar days from the
21 date he/she was permanently laid off
22 at the off-site base, provided that
23 such employee shall not displace a
24 more senior employee with recall or
25 promotion rights at the Fort Worth,
26 Texas, facility.

27
28 The following provisions will be
29 applicable to employees with recall
30 rights under the above language:

- 31
32 a. An employee who is permanently
33 laid off at the off-site base and

1 wishes to exercise recall rights at
2 the Fort Worth, Texas, facility
3 must submit such request to the
4 Company in writing.
5

6 b. Such employee will be eligible for
7 recall to openings which occur
8 after the Fort Worth, Texas,
9 facility has been notified that said
10 employee requests recall rights at
11 the Fort Worth, Texas, facility.
12

13 c. Such employee who is offered
14 recall to a job at the Fort Worth,
15 Texas, facility will have fourteen
16 (14) working days from the date of
17 his/her telegram in which to report
18 to the job at the Fort Worth,
19 Texas, facility. An employee who
20 chooses to decline the Fort Worth
21 offer but wishes to retain recall
22 rights to the off-site base must so
23 notify the Fort Worth facility by
24 telegram or registered mail within
25 three (3) working days after
26 receiving notice of recall.
27

28 d. An employee who is not recalled to
29 a job at the Fort Worth, Texas, fa-
30 cility within the ninety-(90) day time
31 limitation specified above shall re-
32 tain recall rights to the off-site base
33 under the provisions of this Article.

1 C. 1. An employee permanently transferred
2 to an off-site base from the
3 Company's Fort Worth, Texas, facility
4 shall be returned to the Fort Worth,
5 Texas, facility in lieu of indefinite
6 layoff at the off-site base, in
7 accordance with the following:

8
9 a. Production need permitting, when
10 it is necessary to lay off employees
11 at the base within a classification
12 and field of specialization,
13 employees hired at or for the base
14 shall be laid off prior to requiring
15 employees transferred from the
16 Fort Worth, Texas, facility to return
17 to the Fort Worth, Texas, facility.

18
19 b. When it is necessary that
20 employees within a classification
21 and field of specialization who
22 have been transferred from the
23 Fort Worth, Texas, facility be
24 returned to the Fort Worth, Texas,
25 facility, senior volunteers will be
26 selected for such return,
27 production need permitting.

28
29 c. Based upon the classification, field
30 of specialization, and department
31 to which he/she was assigned at
32 the time of his/her permanent off-
33 site assignment, it will be

1 determined if he/she would have
2 been advanced to a classification
3 in a higher labor grade than the
4 last classification held at the off-
5 site base under the application of
6 the Company-Union Agreement
7 had he/she remained at the Fort
8 Worth, Texas, facility. If said
9 employee would have attained and
10 retained said higher classification
11 as provided above, he/she will be
12 placed on such classification on a
13 current basis, displacing a less
14 senior employee if necessary.
15

16 d. If it is determined that the
17 employee will not qualify for a
18 higher classification under sub-
19 paragraph (a) above, he/she will
20 then be placed in the last
21 classification and field of
22 specialization held at the off-site
23 base, seniority permitting,
24 displacing a less senior employee
25 if necessary.
26

27 e. If the employee cannot be placed
28 under sub-paragraphs (c) and (d)
29 above, then the current Fort Worth
30 Company-Union Agreement shall
31 be applied on a current basis.
32
33

1 V. Travel and Expense Allowance--Permanent
2 Off-Site Assignment

3
4 Employees permanently transferred to an
5 off-site base will be reimbursed for
6 transportation and relocation expense
7 under the provisions of this Section V.

8
9 A. Definitions

10
11 1. Permanent Travel Assignment--An
12 assignment to Edwards Air Force
13 Base, California or any other domestic
14 off-site base outside of Tarrant
15 County, Texas, that may be
16 established for the F-111 Flight Test
17 Program or the F-16 Flight Test
18 Program to which employees are
19 permanently transferred under this
20 Agreement, which is expected to
21 exceed eleven (11) calendar months.

22
23 2. Dependents--The employee's spouse
24 and unmarried children (minor
25 children under twenty-one years of
26 age) who receive more than one-half
27 of their support from and who reside
28 with the employee.

29
30 B. Transportation Allowances

31
32 Employees and their dependents shall
33 receive transportation allowances in

1 accordance with the provisions set
2 forth:

3
4 1. Actual cost of first-class train fare
5 plus Pullman lower berth or
6 scheduled air coach fare including
7 extra charge for jet travel.

8
9 2. If by personal automobile,
10 reimbursement will be at the
11 current allowable mileage
12 reimbursement rate as defined by
13 the Internal Revenue Service
14 (IRS), plus toll costs based on the
15 most current edition of the Rand-
16 McNally Standard Highway Mileage
17 Chart. An employee is permitted to
18 travel in a privately owned vehicle
19 when specifically authorized by the
20 Company on the Travel Order.
21 Claims for reimbursement require
22 itemized statements of mileage
23 traveled and hour of departure and
24 arrival at each destination.

25
26 3. Travel time by highway is the actual
27 travel time required, but not to
28 exceed an amount computed by
29 dividing 350 into the mileage of the
30 most direct route as shown in the
31 most current edition of the Rand-
32 McNally Standard Highway Mileage
33 Chart. Where a fraction of 350

occurs, a full day is added if the fraction is greater than 1/2 (greater than 175 miles). Nothing is added if the fraction is 1/2 or less.

4. Travel time by rail or air shall not exceed that of the scheduled carrier.

5. An employee traveling as a passenger in an automobile used for an authorized trip does not receive mileage allowance. The driver's name must be stated on the Travel Order.

6. If dependents travel with an employee by public transportation, actual cost is paid on the same basis provided the employee. If travel of the employee and dependents is by automobile, no additional mileage allowance is paid because of the dependents riding as passengers.

7. If the dependents do not travel with the employee, actual costs of public transportation are paid on the same basis as provided for the employee. If the dependents travel by personal automobile, the same automobile mileage allowance is made as if it had been driven by the employee. No additional mileage allowance is

1 paid for other dependents riding with
2 the driver.

- 3
4 8. Under no circumstances will mileage
5 allowance be paid an employee for
6 transportation of himself/herself and
7 his/her dependents on more than
8 two automobiles.

9
10 C. Relocation Allowance

11
12 No per diem subsistence or other
13 expenses are paid an employee placed
14 on a permanent travel assignment,
15 except as listed below:

- 16
17 1. An employee with dependents is
18 entitled to a relocation allowance for
19 miscellaneous and incidental
20 expenses (M&IE), in accordance
21 with the per diem rates set forth by
22 the Federal Government, plus
23 reasonable actual lodging expense
24 until the employee acquires his/her
25 off-site residence, but not to exceed
26 thirty (30) calendar days plus actual
27 travel time.

- 28
29 2. An employee with no dependents is
30 entitled to a relocation allowance for
31 miscellaneous and incidental
32 expenses (M&IE), in accordance
33 with the per diem rates set forth by

1 the Federal Government, plus
2 reasonable actual lodging expense
3 until the employee acquires his/her
4 off-site residence, but not to exceed
5 fifteen (15) calendar days plus actual
6 travel time.

- 7
8 3. An employee who concurrently takes
9 his/her dependents with him/her or
10 whose dependents subsequently join
11 him/her on his/her permanent travel
12 assignment through the application of
13 Paragraph F below is entitled to a
14 relocation allowance for
15 miscellaneous and incidental
16 expenses (M&IE), in accordance with
17 the per diem rates set forth by the
18 Federal Government, reduced to 75%
19 of the per diem amount for his/her
20 spouse and for each dependent child
21 12 years of age or older, and reduced
22 to 50% of the per diem amount for
23 each dependent child under 12 years
24 of age plus reasonable actual lodging
25 expense for dependents. The
26 employee is entitled to this allowance
27 for dependents only at the time
28 dependents are physically relocated.
29 These allowances are paid until the
30 employee acquires his/her off-site
31 residence, but not to exceed thirty (30)
32 calendar days plus actual travel time.
33

D. Movement of Household Goods

The following costs only will be paid:

1. Actual normal packing, drayage and transportation expenses including all risk insurance for present day replacement value less normal depreciation of household goods, not to exceed 11,000 pounds gross, plus storage expenses at point of origin or point of destination (but not both) for a maximum total of thirty (30) calendar days.
2. Expedited service charges made by van line carriers for handling shipment of household goods and furniture of less than 5,000 pounds.
3. Trailer rental fees up to, but not exceeding, the cost of van line charges for the maximum weight limit.
4. Drayage charges for moving household furniture from storage to place of residence.
5. Receipts covering moving expenses must be attached to Travel Reports.
6. Thirteen cents (13¢) per mile will be paid, which is in addition to the mile-

age allowance for travel by personal automobile, if an individually owned utility trailer is towed by the employee for the purpose of moving personal effects.

E. Movement of Housetrailers

1. If in lieu of movement of household goods, a house trailer is transported by common carrier, reimbursement will be made for actual cost, but not to exceed what it would have cost to transport 11,000 pounds gross of household goods by common carrier and provided no other household moving costs are paid.
2. **The current allowable mileage reimbursement rate as defined by the Internal Revenue Service (IRS), per mile will be paid, which is in addition to the mileage allowance for travel by personal automobile, if a housetrailer is moved by the employee and no other household moving costs are paid.**
3. There is no allowance provided for preparation for movement, or damage, repair or service to housetrailer and/or its contents.

1 F. Dependents of an employee on a
2 permanent travel assignment who
3 subsequently join him/her on such
4 assignment may, upon prior approval of
5 the Company, qualify for transportation,
6 travel and relocation allowances under
7 this Section V, provided they move to
8 the new location with an intent to
9 relocate within an eleven (11) month
10 period following the start of the
11 employee's assignment.

12
13 G. Consecutive Permanent Travel
14 Assignment and Other Business Travel
15

- 16 1. An employee moving from one
17 permanent off-site assignment to
18 another is eligible for benefits
19 provided under Paragraphs B, C, D,
20 E, and F above.

21
22 H. Other Business Trips

- 23
24 1. An employee who is required to go
25 on temporary assignment away from
26 his established place of residence is
27 entitled to allowances specified in
28 Article Twenty-Three of the
29 Company-Union Agreement.
30

31 I. Return From Permanent Off-Site
32 Assignment
33

1 1. Employees permanently transferred
2 from the off-site base to the Fort
3 Worth, Texas, facility under the
4 provisions of this Agreement shall be
5 eligible for benefits under the
6 provisions of Paragraphs B, C, D, E,
7 and F above.

8
9 J. Change From Temporary Assignment
10 Of Less Than Eleven Calendar Months
11 To Permanent Travel Assignment
12

13 1. If an employee is placed on a
14 temporary travel assignment under
15 the provisions of Article Twenty-
16 Eight of the current Company-Union
17 Agreement and it later is decided by
18 the Company to convert the
19 employee's travel status to
20 permanent assignment to an off-site
21 base, and the employee volunteers
22 for such assignment, the employee's
23 dependents will be eligible to be
24 moved and relocated under the
25 provisions of this Article.
26

27 K. Employee Termination
28

29 1. An employee transferred to an off-
30 site base, or transferred from one
31 off-site base to another who
32 terminates his/her employment
33 within six (6) months from the date

1 he/she reports for work at the
2 location to which transferred, will be
3 required to reimburse Lockheed
4 Martin for all expenses incurred by
5 the Company in connection with his
6 transfer except for the cost of his/her
7 own personal transportation.
8

9 L. Complaints regarding the interpretation
10 and/or application of this Section V
11 shall not be subject to the Grievance
12 Procedure or arbitration but shall be
13 referred to the Vice President of
14 **Human Resources** by the I.A.M.
15 District President.
16

17 **ARTICLE THIRTY**
18 **DURATION**
19

20 Section 1. This Agreement shall become
21 effective on the **28th** day of April **2003**, and
22 shall remain in force until 11:59 p.m. on the
23 **9th** day of April **2006**, and at the end of each
24 year period thereafter, this Agreement shall
25 be renewed automatically for periods of one
26 (1) year unless either party gives written
27 notice of desire to terminate or amend same
28 at least sixty (60) days prior to the renewal
29 date.
30

31 Section 2. In the event notice of desire to
32 amend is properly given by either party, the
33 parties shall simultaneously exchange their

desired amendments in writing within ten (10) days after their first meeting.

Section 3. Negotiations concerning amendments to this Agreement shall commence not later than forty-five (45) days or sooner than sixty (60) days before the end of the contract period in effect when the notice of desire to amend is given. During said negotiations this Agreement shall remain in full force and effect, except that it may be terminated by either party upon thirty (30) days' notice in writing as hereinafter provided. During said thirty (30) day period negotiations shall continue at the request of either party.

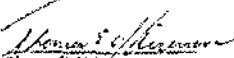
Section 4. In the event that one party serves a notice of desire to terminate in accordance with this Article and the other party serves a notice of desire to amend in accordance with this Article, negotiations concerning said amendments shall be undertaken as provided in Section 3 above. During said negotiations this Agreement shall continue in full force and effect unless, after the commencement of said negotiations, a written thirty (30) day notice of termination is given by either party, provided that the termination date thus established by such notice shall not occur sooner than the next renewal date. The parties may by mutual agreement extend such termination date, it being expressly understood that a notice of

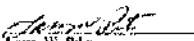
1 dispute under Section 8, Sub-Section (d) (3)
2 of the Labor Management Relations Act of
3 1947, shall be due thirty (30) days prior to an
4 agreed to or established expiration date, that
5 is, simultaneously with the thirty (30) day
6 notice of termination required during
7 negotiations to cause termination of the
8 Agreement.

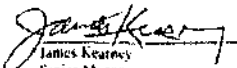
9
10 Section 5. This Agreement supersedes and
11 renders void all previous agreements,
12 including the Agreement effective 27 April
13 2000 until 13 April 2003, whether written or
14 oral, between the parties hereto.

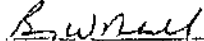
1 IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on
2 the 05th day of November 2003

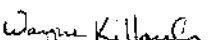
3 LOCKHEED MARTIN
4 AERONAUTICS COMPANY
5 FORT WORTH

6 
7 Thomas E. Heiserman
8 Vice President
9 Human Resources

10 
11 Larry W. Pike
12 Vice President and
13 Deputy Production Operations

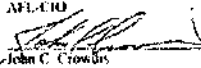
14 
15 James Kearney
16 Senior Manager
17 Union and Labor Relations

18 
19 Barry W. Nickell
20 Labor Relations

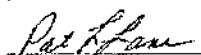
21 
22 Wayne Killough
23 Labor Relations


24 
25 Kathy Luger
26 Recorder

27 INTERNATIONAL ASSOCIATION OF
28 MACHINISTS AND AEROSPACE
29 WORKERS,
30 AFL-CIO

31 
32 John C. Crowder
33 Aerospace Coordinator

AERONAUTICAL INDUSTRIAL
DISTRICT LODGE 776


34 
35 Pat L. Lane
36 District President and
37 Directing Business Representative

38 
39 Terry L. Smith
40 Assistant Directing Business
41 Representative

IAM NEGOTIATING
COMMITTEE

42 
43 Ernest Boone

44 
45 Ken Holder

46 
47 Eddie H. Lynch

48 
49 Angie Pokednik

50 
51 Keith Stum

52 
53 Eddie Jackson

APPENDIX A - PART I

FACTORY CLASSIFICATIONS

	Labor		
	Grade	Occupation	Grade
1			
2			
3			
4			
5			
6			
7	03	Aircraft Mechanic	A
8	06	Assembler Aircraft	A
9	09	Assembler Electrical & Radio Bench	A
10	01	Avionics Technician	A
11	04	Bonding & Composite Equipment Operator	A
12	05	Bonding & Composite Fabricator	A
13	04	Bonding & Composite Mfg Dev Specialist	A
14	04	Carpenter/Painter	A
15	06	Combination Plater & Etcher	A
16	06	Crater Packer	A
17	03	Electrical & Electronics Laboratory Mechanic	A
18	03	Electrical & Radio Mock-Up Person	A
19	01	Electronics Test Equipment Technician	A
20	10	Equipment Service Person	A
21	01	Field & Service Mechanic	A
22	01	Field & Service Mechanic A&P	A
23	06	Hazardous Waste Worker	A
24	03	Industrial Automotive Mechanic	A
25	03	Inspector - Assembly	A
26	04	Inspector - Composite, Prefit & Layup	A
27	05	Inspector - Electrical Bench	A
28	03	Inspector - Electrical/Mechanic Mock-Up	A
29	01	Inspector - Electronics	A
30	01	Inspector - Flight Operations	A
31	05	Inspector - Material / Detail	A
32	01	Inspector - Tooling	A
33	01	Instrumentation Mechanic	A

1	01	Instrumentation Research & Dvlpt Tech	A
2	15	Janitor	
3	01	Machinist - General	A
4	01	Maintenance Mechanic	A
5	03	Metal Buildup Mechanic	A
6	08	Metal Cutting & Finishing Operator	A
7	06	Metal Fitter Assembler	A
8	04	Metal Forming Operator	A
9	04	Metal Shaping Operator	A
10	03	Metal Worker Mechanic	A
11	04	Mobile Operator Rigger	A
12	04	Overhead Operator Rigger	A
13	05	Painter Finish	A
14	05	Parts Fabricator & Finisher Mechanic	A
15	02	Plumber Maintenance	A
16	05	Portable Tool & Equipment Repair Person	A
17	01	Quality Assurance Nonconforming Material Analyst	A
18	14	Service Attendant	A
19	02	Service Tool Die Maker and Cutter Grinder	A
20	*	Set Up Person	
21	*	Set Up Person - Assembly	
22	*	Set Up Person - Fabrication	
23	06	Shape Charge Assembler	A
24	02	Sheet Metal Worker - Maintenance	A
25	05	Silk Screen Processor	A
26	01	Stationary Engineer	A
27	01	Stem Operator	A
28	03	Structures & Hydraulics Lab Test Mechanic	A
29	01	Technician - Electronic Repair Center	A
30	03	Tool Maker - Metal & Wood	A
31	*	Apprentice Tool Maker - Metal & Wood	
32	01	Tool Maker - Plastic	A
33	*	Apprentice Tool Maker - Plastic	

1	05	Truck Driver - Utility	A
2	06	Tube Bender & Assembler	A
3	03	Tube Mock Up Person	A
4	04	Utility Layout & Guide Person Maintenance	A
5	02	Welder Aircraft	A
6			
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APPENDIX A – PART II

TECHNICAL & OFFICE CLASSIFICATIONS

Labor

Occupational

<u>Grade</u>	<u>Occupation</u>	<u>Grade</u>
09	Chauffeur	A
04	Chemical Processing Scheduler	A
03	Cyclic Inventory Analyst - Material	A
06	Hazardous Waste Worker	A
07	Industrial Property Person	A
01	Inspector - Non-Destructive Test	A
01	Inspector - Structure Panel NDT	A
07	Material Handler	A
01	Metrology Tech - Electrical & Electronic Measuring	A
01	Metrology Technician - Physical Measuring	A
01	Model Builder	A
*	Apprentice Model Builder	
06	Motor Transportation Dispatcher	A
05	Packaging Planner	A
05	Parts Requirements Person - Portable Tools	A
07	Planning Control Person	A
08	Planning Requirements Clerk	A
05	Quality Control Field Operations Analyst	A
05	Quality Control Records Analyst	A
09	Sanitation Supply Clerk	A
*	Set Up Person - Material	
10	Shop Clerk	A
06	Shop Clerk Senior - Maintenance	A
01	Tool Maker	A
*	Apprentice Tool Maker	
02	Waste Treatment Operator	A
	* Labor Grade Unassigned	

**LABOR GRADE STRUCTURE
TECHNICAL AND OFFICE
CLASSIFICATIONS**

Effective 28 April 2003

<u>Labor Grade</u>	<u>Base Rate Minimum</u>	<u>Base Rate Maximum</u>
1	\$ 11.35	\$ 24.78
2	\$ 11.10	\$ 24.45
3	\$ 10.98	\$ 23.83
4	\$ 10.60	\$ 23.56
5	\$ 10.48	\$ 23.34
6	\$ 10.25	\$ 23.11
7	\$ 10.02	\$ 22.66
8	\$ 9.88	\$ 22.47
9	\$ 9.64	\$ 22.05
10	\$ 9.58	\$ 21.29
11	\$ 9.34	\$ 21.01
12	\$ 9.22	\$ 20.87
13	\$ 9.08	\$ 20.56
14	\$ 8.95	\$ 20.27

LABOR GRADE STRUCTURE
FACTORY CLASSIFICATIONS

<u>Labor Grade</u>	<u>Base Rate Minimum</u>	<u>Base Rate Maximum</u>
1	\$ 11.52	\$ 24.19
2	\$ 11.26	\$ 23.77
3	\$ 11.08	\$ 23.51
4	\$ 10.86	\$ 23.29
5	\$ 10.69	\$ 23.05
6	\$ 10.43	\$ 22.80
7	\$ 10.25	\$ 22.62
8	\$ 10.09	\$ 22.40
9	\$ 9.78	\$ 22.18
10	\$ 9.47	\$ 21.37
11	\$ 9.32	\$ 21.15
12	\$ 9.16	\$ 20.94
13	\$ 9.10	\$ 20.80
14	\$ 9.02	\$ 20.70
15	\$ 6.34	\$ 13.88

1 APPENDIX "B"
2 PART 1
3 RETIREMENT PLAN FOR HOURLY
4 EMPLOYEES
5

6 Pursuant to agreements reached between
7 Lockheed Martin Aeronautics Company – Fort
8 Worth and the International Association of
9 Machinists and Aerospace Workers, it is
10 understood that the Retirement Plan in effect
11 immediately prior to the effective date of this
12 Agreement shall remain in full force and effect
13 for the duration of this Agreement except as
14 modified by the agreed upon changes set forth
15 below. Changes are applicable to all covered
16 hourly employees who are actively at work on
17 or after the effective date of this Agreement
18 unless otherwise indicated. **A full description**
19 **of the Retirement Plan features is provided**
20 **in the Summary Plan Description.**
21

22 A. RETIREMENT BENEFIT:
23

- 24 1. The monthly normal retirement benefit of
25 an employee who retires or terminates
26 with a vested benefit on or after **28 April**
27 **2003** will be equal to **fifty-eight** dollars
28 **(\$58.00)** a month per year of credited
29 service to date of retirement or termination.
30
31 2. Credited service restored under the
32 bridging provision set forth in Section F
33 of this Appendix B will not be used in

determining the normal retirement benefit described in Section A of this Appendix B. The benefit computed for the restored credited service will be added to the normal retirement benefit determined in accordance with paragraphs 1 and 2 of this Section A.

B. DISABILITY BENEFIT: The monthly disability benefit of an employee who qualifies for a disability retirement on or after **28 April 2003** shall be equal to the normal retirement benefit earned to the date of disability based on credited service and benefits at such disability retirement date in accordance with Sections A and F of this Appendix B.

C. NOTICE FOR ELECTION OF OPTIONAL FORMS OF RETIREMENT BENEFITS: **Shall be in compliance with 417(a) of the Internal Revenue Code.**

D. POSTPONED RETIREMENT:

1. Effective on the first day of this Agreement, any employee who continues employment beyond the Plan's normal retirement age of 65:

a. Shall continue to accrue credited service under the plan while employed with the company until the employee actually retires.

1 b. Shall not be entitled to monthly
2 retirement benefits until such
3 employee actually retires; and
4

5 c. Shall not be required to elect a
6 retirement benefit payment option upon
7 reaching age 65 but will be treated,
8 upon retirement, as a regular
9 retirement pursuant to standard plan
10 procedures, and may elect any
11 payment option upon actual retirement
12 and, if married, will otherwise be
13 covered by the Plan's existing pre-
14 retirement surviving spouse death
15 benefit protection until actual
16 retirement.
17

18 2. Effective 7 April 1997, employees who
19 continue employment beyond age 70
20 and $\frac{1}{2}$ will not be required to
21 commence receiving retirement
22 benefits until termination of
23 employment. However, employees
24 may elect to commence receiving
25 retirement benefits by 1 April of the
26 year following the attainment of age 70
27 and $\frac{1}{2}$. This is in accordance with the
28 Internal Revenue Code and the Tax
29 Reform Act of 1986 as amended.
30

31 3. Employees who are actively at work
32 and are over age 65 on the date of this
33 Agreement will receive credited service

1 for all periods of active employment
2 worked with the company after the
3 employees attained age 65.
4

5 **E. GOVERNMENT APPROVALS:** The
6 Retirement Plan as agreed to between the
7 Company and the Union shall be con-
8 tingent upon approval of the Internal
9 Revenue Service and its compliance with
10 all applicable provisions of the Employee
11 Retirement Income Security Act of 1974
12 (ERISA), subsequent amendments, and
13 any other laws affecting qualified retire-
14 ment plans and the regulations and orders
15 issued pursuant to such laws. The
16 Company shall make whatever amend-
17 ments or changes to the Plan and its
18 operation necessary to assure continued
19 compliance with the law and continuation
20 as a tax qualified plan.
21

22 **F. BRIDGING OR PRIOR CREDITED**
23 **SERVICE FOR PENSION:**
24

25 Employees actively at work on the first
26 day of this Agreement with one (1) or
27 more years of continuous service or on
28 the completion of one (1) year of
29 continuous service will be eligible for
30 bridging of lost credited service subject to
31 the following rules:
32
33

1 1. Break in service occurred prior to 1
2 January 1976.

3
4 2. Benefit level for restored credited
5 service will be equal to twenty-two
6 dollars_(\$22.00) a month per year of
7 restored credited service.

8
9 APPENDIX "B"

10 PART 2

11 ACTIVE EMPLOYMENT AFTER THE
12 ATTAINMENT OF AGE 65

13
14 Pursuant to agreements reached between
15 Lockheed Martin Aeronautics Company -
16 Fort Worth and the International Association
17 of Machinists and Aerospace Workers, it is
18 mutually agreed by and between the parties
19 that there is no mandatory retirement solely
20 by reason of an employee's age.

21
22 It is further understood that if an employee
23 continues employment following the attain-
24 ment of age 65; the employee shall not be
25 entitled to monthly retirement benefits until
26 such employee actually retires, except as
27 provided in Appendix B, Part 1, Section D for
28 employees attaining age 70 and 6 months on
29 or after 7 April 1997. The employee shall
30 accrue credit under the Retirement Plan for
31 service rendered after the attainment of age
32 65 only as provided in Appendix B, Part 1.

1 The parties further understand that the
2 government agencies administering the age
3 discrimination laws recognize that costs of
4 such benefit plans as group life insurance,
5 optional life insurance, accidental death and
6 dismemberment insurance, health expense
7 benefits program (including medical and
8 prescription drug), accident and sickness
9 coverage, and dental program may increase
10 for those employees age 65 or older.
11 Interpretations concerning provision of those
12 benefit plans to employees age 65 and over
13 have been issued. In accordance with these
14 interpretations, the Company plans are
15 amended as follows:

16
17 **(1.) Basic Life Insurance paid by Company:**

18 Equal to sixty-two percent of amount of
19 Basic Life Insurance in force for
20 employees under age 65.
21

22 **(2.) Group Universal Life and Dependent
23 Optional Term Life:**

24 Continue on same basis as prior to
25 age 65.
26

27 **(3) Accidental Death and Dismemberment
28 Insurance paid by Company:**

29 Continue on same basis as prior to age 65.
30

31 **(4) Special Accident Plan:**

32 Continue on same basis as prior to age 65.
33

1 (5) Accident & Sickness Weekly Disability
2 Benefits:

3 A. Employees covered under California
4 law - Continue same coverage and
5 employee cost as set by State of
6 California.

7
8 B. Employees not covered under
9 California law - Continue equivalent
10 coverage as established for
11 employees under age 65 but
12 integrate benefits payable with any
13 Social Security payments received
14 while on disability.

15
16 (6) Dental Plan:

17 Continue on same basis as prior to age 65.
18

19 (7) Medical Plan:

20
21 A. Employee age 65 and older;
22 spouse age 65 and older will
23 continue on the same basis as
24 prior to age 65.

25
26 B. Spouses under age 65,
27 regardless of the employee's age,
28 will be covered under the
29 company's medical coverages for
30 dependents of active employees
31 under age 65.
32

1 C. Spouses 65 and over of
2 employees under age 65 will be
3 covered under the company's
4 medical coverages for depen-
5 dents of active employees under
6 age 65.

7
8 (8) Prescription Drug Plan:
9 Continue on same basis as prior to age
10 65.

11
12 (9) Retirement Plan for Hourly Employees:
13 Coverage as set forth in Appendix B,
14 Part 1, Section D and the second
15 paragraph of this Part 2.

16
17 (10) Lockheed Martin Corporation Hourly
18 Employees Savings Plan Plus:
19 Continue on same basis as prior to age
20 65 except as provided under Article
21 Twenty-seven, Paragraph 7.

22
23 (11) Other benefits such as vacation,
24 holidays, sick leave and bereavement
25 as set forth in the collective bargaining
26 agreement:
27 Continue on same basis as prior to age
28 65.

29
30 From time to time the company will review its
31 experience and determine if the per capita
32 cost to provide a benefit or insurance
33 program (other than medical benefits

1 coverage) for employees 65 or older is
2 greater than the per capita cost for the hourly
3 employees under age 65 (in the age class
4 specified by government regulations) and
5 employed by the company. If the cost for
6 any one such benefit or insurance program is
7 greater, then the company will, at its option,
8 have the right to change that benefit or
9 insurance program, adjust or eliminate any
10 payments or reimbursement so that, to the
11 extent permitted by law, the cost to the
12 company shall be no greater than the cost it
13 incurs for the hourly employees under age 65
14 (in the age class specified by government
15 regulations) and employed by the company.

16 17 18 **APPENDIX "C"**

19 **GROUP INSURANCE AND HEALTH** 20 **EXPENSE BENEFITS**

21
22 This Appendix is a statement of the Group
23 Insurance and Health Expense Benefits
24 applicable to employees at work on the
25 effective date of this labor agreement. A
26 detailed summary plan description of the
27 benefits will be provided to the employee. A
28 **brief summary of the benefits is described**
29 **in this Appendix "C"**. This Appendix
30 replaces in their entirety the Group Insurance
31 and Health Expense Benefits provisions
32 contained in Appendix "C" of the **27 April**
33 **2000** labor agreement, as well as any other

1 agreement and they shall remain in full
2 force until 31 December 2003.

3
4 **APPENDIX C-1--LIFE, ACCIDENTAL DEATH**
5 **AND DISMEMBERMENT,**
6 **MEDICAL, AND DISABILITY**

7
8 Pursuant to agreements reached between
9 Lockheed Martin Aeronautics Company – Fort
10 Worth and the International Association of
11 Machinists and Aerospace Workers, it is
12 understood that the following changes are
13 applicable to the Group Insurance and Medical
14 expense benefits for new employee and
15 dependent coverages and claims incurred on
16 and after the effective dates shown below for
17 those eligible employees actively at work or on
18 COBRA on and after such dates.

19
20 **A. LIFE INSURANCE – Effective 1 Jan 2004**

21
22 **Basic Life Insurance \$25,000 Company Paid**

23
24 The amount of basic life insurance is
25 subject to disability payment in the event
26 of total and permanent disability prior to
27 age 60.

28
29 **Group Universal Life Insurance (GUL)**

30
31 Employee may choose from one (1) to six
32 (6) times annual base pay.

1 The cost of coverage per \$1,000 is based
2 on the employee's age and salary as of
3 December 1 of the prior plan year or hire
4 date if later. The premium amounts are
5 shown on each individual's personalized
6 annual enrollment form.

7
8 **Note:** For those currently enrolled in
9 the Basic Optional and/or Basic
10 Optional and Additional Optional Life,
11 existing insurance amounts at
12 12/31/03 will be converted to the next
13 higher multiple of pay as an option
14 without Proof of Insurability (POI) – if
15 considered actively at work. However,
16 the employee must make a positive
17 election during annual enrollment for
18 this coverage to become effective.

19
20 **Proof of Insurability required for:**

- 21 1. Any multiple of GUL above the
22 converted multiple noted above
- 23 2. Any multiple of GUL if an employee
24 is not enrolled in the existing
25 optional term life plan
- 26 3. Multiples of three (3) to six (6) times
27 annual base pay for a newly eligible
28 employee and amounts over
29 \$500,000
- 30 4. Any multiple of insurance for an
31 employee who enrolls after their
32 initial eligibility date has passed (or

1 who drops coverage and then re-
2 enrolls at a later date)

3
4 **The terms of the Plan will be summarized in**
5 **a separate Summary Plan Description. The**
6 **terms of the plan in the SPD will not be**
7 **changed during the term of the agreement**
8 **except for legally required changes or any**
9 **mutually agreed to changes. Copies of this**
10 **Summary Plan Description will be**
11 **furnished to the Union and to each**
12 **employee eligible for the Plan.**

13
14 **The amount of Group Universal Life**
15 **Insurance is not subject to disability payment**
16 **in the event of total and permanent disability**
17 **prior to age 60.**

18
19 **Dependent Optional Term Life (DOTL)**
20 **Insurance**

21
22 **Employee may elect coverage for spouse -**
23 **one (1), two (2), or three (3) times**
24 **employee's annual base pay. Spouse is**
25 **required to provide Proof of Insurability**
26 **(POI) if elect three times employees annual**
27 **base pay or if employee enrolls spouse**
28 **after 31 days of employees or spouse's first**
29 **day of eligibility. Employee may elect**
30 **\$5,000, \$10,000 or \$25,000 for eligible**
31 **dependent child(ren).**

1 The cost of coverage per \$1,000 is based
2 on the employee's age and salary as of
3 December 1 of the prior plan year or hire
4 date if later for spouse coverage and is a
5 flat rate per \$1,000 for child(ren) coverage.
6 The premium amounts are shown on each
7 individuals personalized annual enrollment
8 form.

9
10 The terms of the Plan will be summarized in
11 a separate Summary Plan Description. The
12 terms of the plan in the SPD will not be
13 changed during the term of the agreement
14 except for legally required changes or any
15 mutually agreed to changes. Copies of this
16 Summary Plan Description will be
17 furnished to the Union and to each
18 employee eligible for the Plan.

19
20 B. ACCIDENTAL DEATH AND
21 DISMEMBERMENT INSURANCE:
22 Amount of Accidental Death and
23 Dismemberment Insurance:

24
25 Effective 1 January 2004: \$25,000

26
27 C. ELIGIBILITY FOR GROUP INSURANCE
28 AND MEDICAL PLAN COVERAGE:
29 Employees hired or rehired on or after 2
30 November 1981 are required to complete
31 ninety (90) days of continuous service
32 before being eligible for coverage under the
33 Group Life Insurance, Accidental Death and

Dismemberment Insurance, and Medical Plan Coverage.

D. Effective 1 January 2004, coverage under the **Lockheed Martin Medical Benefits Plan (LMMBP)** self-funded comprehensive medical plan will change to the **Lockheed Martin Preferred Provider Option (PPO)**.

The following provides a summary of the **PPO**.

	LOCKHEED MARTIN PPO PLAN
Lifetime Maximum per person	\$2,000,000 and includes payments from all Company sponsored plans and includes medical, prescription drugs, mental health and substance abuse benefits. (HMOs and network POS medical benefit payments are not included)
Calendar Year Deductible	Applies to network and non-network covered expenses except routine physical exams and well-child care
Individual	1% of employee's annual base pay with a minimum deductible of \$200
Family	Up to 3% of employee's annual base pay with a minimum deductible of \$600
Calendar Year Out-of-Pocket (OOP) Maximum (excludes the deductible)	Applies to network and non-network covered expenses. As a % of annual base pay
Individual	4% of employee's annual base pay with a minimum OOP of \$1,200
Family	Up to 8% of employee's annual base pay with a minimum OOP of \$2,400
Reimbursement Levels (normally, with a few exceptions)	Network: 90% after the deductible Non-Network: 80% after the deductible

	LOCKHEED MARTIN PPO PLAN
Hearing aid benefit Hearing exam Hearing aid	Network: 90% after deductible Non-Network: 80% after deductible Combined network and non-network maximum of \$100 for one exam in any 3 consecutive years Network: 90% no deductible Non-Network: 80% no deductible Combined network and non-network maximum of \$1,000 per hearing aid per ear in any 3 consecutive years
Prescription Drugs At network retail Pharmacies Generic drugs Brand drugs At non-network pharmacies	For up to a 30 day supply, you pay a copay per prescription; per refill: 10% copay – minimum \$5/maximum \$10 copay 20% copay – minimum \$10/maximum \$20 copay for preferred brand 40% copay – minimum \$25/maximum \$50 copay for non-preferred brand You pay for the prescription/refill and file a claim for reimbursement with the prescription drug claims administrator (EHS). You will be responsible for: 50% of the retail price with a minimum \$5 copay 50% of the retail price (preferred or non-preferred) with a minimum \$30 copay
Mail Order Generic Drug Brand Name Drug	Up to a 90 day supply per Rx/per refill \$10 \$20 – preferred brand \$50 – non-preferred brand

	LOCKHEED MARTIN PPO PLAN
Mental Health and Substance Abuse	
Separate calendar year deductible	None
Out-of-Pocket (OOP) maximum	There is no OOP maximum
Mental Health	
Inpatient (precertification required)	Network: 90% for up to 60 days per calendar year Non-Network: Not covered
Outpatient Substance Abuse	Network: 90%; unlimited visits (if approved) Non-Network: Not covered
Inpatient (precertification required)	Network: 90% for up to 45 days per calendar year Non-Network: Not covered
Outpatient	Network: 90%; unlimited visits (if approved) Non-Network: Not covered
Separate lifetime maximum	No separate lifetime maximum

E. Effective 1 January 2004, the current Point of Service (POS) plan will be converted to the new self-funded Lockheed Martin POS plan.

The following provides a summary of the POS.

	POINT of SERVICE PLAN
Lifetime Maximum per person	\$2,000,000 includes payments from all Company sponsored plans and includes medical, prescription drugs, mental health and substance abuse benefits. (HMOs and network POS medical benefit payments are not included)
Calendar Year Deductible (as a % of EE's annual base pay)	Applies to covered <i>non-network</i> expenses only.
Individual	1% of employee's annual base pay with a minimum deductible of \$300
Family	Up to 3% of employee's annual base pay with a minimum deductible of \$900
Calendar Year Out-of-Pocket (OOP) Maximum	Applies to covered <i>non-network</i> expenses only. Excludes the deductible
Individual	9% of employee's annual base pay with a minimum OOP of \$2,700
Family	Up to 18% of employee's annual base pay with a minimum OOP of \$5,400
Inpatient Hospital Charges	Network: 100% Non-Network: 70% after the deductible
Physician Office Visits	Network: 100% after you pay a \$15 copay per visit Non-Network: 70% after the deductible
Diagnostic X-ray/ Lab test	Network: 100% Non-Network: 70% after the deductible

	POINT of SERVICE PLAN
HEARING AID BENEFIT	
Hearing exam	Network: 100% after you pay a \$15 copay per visit
	Non-Network: 70% after deductible
	Combined network and non-network maximum of \$100 for one exam in any 3 consecutive years
Hearing aid	Network: 100% no copay
	Non-Network: 70% after deductible
	Combined network and non-network maximum of \$1,000 per hearing aid per ear in any 3 consecutive years
PRESCRIPTION DRUGS	
At network retail Pharmacies	For up to a 30 day supply, you pay a copay per prescription; per refill:
Generic drugs	10% copay – minimum \$5/ maximum \$10 copay
Brand drugs	
Preferred brand	20% copay – minimum \$10/ maximum \$20 copay
Non-preferred brand	40% copay – minimum \$25/ maximum \$50 copay
At non-network pharmacies	You pay for the prescription/refill and file a claim for reimbursement with EHS. You will be responsible for:
Generic	50% of the retail price with a minimum \$5 copay
Brand name drugs	50% of the retail price (preferred or non-preferred) with a minimum \$30 copay

	POINT of SERVICE PLAN
Mail Order	Up to a 90 day supply per Rx/per refill
Generic Drug	\$10
Brand Name Drug	
Preferred brand	\$20
Non-preferred brand	\$50
MENTAL HEALTH AND SUBSTANCE ABUSE	
Separate calendar year deductible	None
Out-of-Pocket (OOP) maximum	There is no OOP maximum
Mental Health Inpatient (precertification required)	Network: 100% for up to 50 days per calendar year
	Non-Network: Not covered
Outpatient	Network: 100% after a \$15 copay per visit; unlimited visits (if approved)
	Non-Network: Not covered
Substance Abuse	
Inpatient (precertification required)	Network: 100% for up to 45 days per calendar year
	Non-Network: Not covered
Outpatient	Network: 100% after a \$15 copay per visit; unlimited visits (if approved)
	Non-Network: Not covered

TERMS OF THE PLAN: The terms of the PPO and POS Plans will be summarized in a Summary Plan Description. The terms of the plan in the SPD will not be changed during the term of the agreement except for legally required changes or any mutually agreed to changes. Copies of the Summary Plan

1 **Description will be furnished to the Union**
2 **and to each employee eligible for the Plan.**
3

4 **F. EMPLOYEE CONTRIBUTIONS**
5

6 **Effective 1 January 2004**, each employee
7 who elects coverage under the HMO
8 medical plans or the Self-Funded Medical
9 **PPO or POS plans** shall pay a weekly
10 Section 125 pre-tax contribution (via payroll
11 deduction) to obtain that coverage. The
12 amount of the weekly contribution required
13 for coverage under any of the medical plans
14 will be as follows:
15

16 The Company contribution for the **PPO,**
17 **POS** and for the HMO (including the self-
18 funded Company Prescription Drug Plan
19 costs) will be 90% of the average of the
20 two lowest cost plans in the area. The
21 difference between this amount and the
22 cost of the plan selected will be paid by
23 the employee. In no event will employee
24 contributions be less than 10% of plan
25 selected.
26

27 The costs for Company self-funded
28 medical plans will be calculated
29 annually using Lockheed Martin
30 standard rating methodology. The
31 costs for any insured medical plan will
32 be the premium charged by the plan. It
33 will be calculated separately for employees

1 and dependents based on each group's
2 claim experience.

3
4 **The current weekly contribution formula**
5 **and maximums in effect immediately**
6 **prior to the effective date of this**
7 **Agreement shall remain in full force and**
8 **effect until December 31, 2003.**

9
10 **Effective 1 January 2004, the maximum**
11 **weekly contributions will be:**

12
13 **PPO: \$20 Employee/ \$45 Family**
14 **POS: \$ 8 Employee/ \$20 Family**
15 **HMO: \$ 8 Employee/ \$20 Family**
16

17 **G. WEEKLY DISABILITY BENEFITS:**
18

19 **Effective on the first day of this agreement,**
20 **the weekly disability benefit will be 55% of**
21 **base weekly wages not to exceed \$260**
22 **benefit per week.**

23
24 **Waiting Period Days: First three days of**
25 **any disability period (except that if you are**
26 **an inpatient in a hospital for at least twenty-**
27 **four consecutive hours, this will not apply to**
28 **the day on which each confinement begins**
29 **or to any day thereafter during that disability**
30 **period. In addition, if a surgical procedure**
31 **is performed as Ambulatory Surgery, this**
32 **will not apply to the day on which surgery is**
33

1 performed or any day thereafter during that
2 disability period).

3
4 H. MEDICAL COVERAGE FOR EARLY
5 RETIREES UP TO AGE 65:

6
7 1.

8 a. Employees whose last hire date is
9 prior to 1 January 1994 and who retire
10 from active employment under either
11 Early Retirement or Age 55 Disability
12 Retirement with a retirement
13 commencement date on or after 1
14 January 1994 who have five (5)
15 years of continuous service or
16 Disability Retirement under age 55
17 with ten (10) years of continuous
18 service (as defined in paragraph 3
19 below) may elect to have coverage
20 under the Early Retiree Medical Plan,
21 Point of Service Plan or continued
22 coverage under a Lockheed Martin
23 offered HMO which provides for
24 retiree coverage.

25
26 b. Employees who retire on or after 1
27 January 1994 on Early Retirement
28 and whose last hire date is on or after
29 1 January 1994 or who retire on
30 Disability Retirement, who have ten
31 (10) years of credited service (as
32 defined in paragraph 3 below), may
33 elect to have coverage under the

1 Early Retiree Medical Plan, Point of
2 Service Plan or continued coverage
3 under a Lockheed Martin offered
4 HMO which provides for retiree
5 coverage.

- 6
7 c. Employees who retire on or after 1
8 January 2004 on Early Retirement
9 or who retire on Disability
10 Retirement, who have ten (10)
11 years of credited service, may elect
12 to have coverage under the Early
13 Retiree Preferred Provider
14 Organization (PPO) Plan, Point of
15 Service (POS) Plan or continued
16 coverage under a Lockheed Martin
17 offered HMO which provides for
18 retiree coverage.

19
20 2. EARLY RETIREE MEDICAL
21 CONTRIBUTION FORMULA

22
23 A retiree's share of pre-age 65 retiree
24 medical costs are based on the retiree's
25 years of retirement credited service. As
26 shown in the table below. The retiree
27 cost sharing percentages apply for the
28 total monthly cost for the pre-age 65
29 medical benefits plan under which the
30 retiree is covered to a maximum of
31 \$367.50 (i.e., 90% of a total monthly
32 cost of \$408.33) for single coverage
33 or \$735.00 (i.e., 90% of a total

monthly cost of \$816.66) for family coverage. The retiree's cost sharing percentage increases to 100% for costs which exceed that ceiling amount.

Years of Service	Last Hire Date Prior to 1 January 1994 Retiree Percentage of Plan Costs	Hire Date Is On or After 1 January 1994 Retiree Percentage of Plan Costs
0-4	not eligible	not eligible
5-9	100%	not eligible
10	85%	85%
11	80%	80%
12	75%	75%
13	70%	70%
14	65%	65%
15	60%	60%
16	56%	56%
17	52%	52%
18	48%	48%
19	44%	44%
20	40%	40%
21	37%	37%
22	34%	34%
23	31%	31%
24	28%	28%
25	25%	25%
26	22%	22%
27	19%	19%
28	16%	16%
29	13%	13%
30 or More	10%	10%

1 3. Employees with a retirement
2 commencement date on or after 1
3 January 1994 under the provisions of
4 the Lockheed Martin Aeronautics
5 Company - Fort Worth retirement plan
6 will be eligible subject to the following
7 conditions:

8
9 a. The employee must be at least age
10 55, but not age 65 or older and must
11 be receiving benefits from the
12 Retirement Plan for Hourly
13 Employees.

14
15 b. The employee eligible for Early
16 Retirement (excludes deferred
17 vested retirement) whose last hire
18 date is before 1 January 1994 must
19 have continuous service equal to at
20 least five (5) years.

21
22 c. Retirees eligible for **Lockheed**
23 **Martin Early Retiree Medical**
24 coverage may delay enrollment in a
25 plan if they are covered under
26 another group health care plan. The
27 retiree may later activate enrollment
28 in the **plans**, if the delayed
29 enrollment is made within 31 days
30 following termination of **coverage**
31 under the other plan. Active medical
32 coverage is not required at time of

retirement in order to begin or delay coverage in a retiree medical plan.

- d. The employee eligible for Early Retirement (excludes deferred vested retirement) whose last hire date is on or after 1 January 1994 must have ten (10) years of credited service.

4. **The terms of the Early Retiree Preferred Provider Organization and Point of Service Plans will be summarized in a separate Summary Plan Description. The terms of the plan in the SPD will not be changed during the term of the agreement except for legally required changes or any mutually agreed to changes. Copies of this Summary Plan Description will be furnished to the Union and to each employee eligible for the Plan.**

The PPO and POS plans for early retirees up to age 65 are the same plans as for active employees except the deductibles and out-of-pocket maximums are fixed dollar amounts as follows:

1	PPO	Individual	Family
2	Calendar Year Deductible	\$200	\$600
3	Out-of-pocket Maximum	\$1,200	\$2,400
4			
5	POS		
6	Calendar Year Deductible	\$300	\$900
7	Out-of-pocket Maximum	\$2,700	\$5,400

I. MEDICAL COVERAGE FOR RETIREES ELIGIBLE FOR MEDICARE

A. Employees retiring from active employment on or after 1 January 1994 who:

1. Are eligible for Medicare and who have five (5) years of continuous service; or,
2. Retire before age 65 who thereafter become eligible for Medicare and have five (5) years of continuous service may elect to have medical coverage under **the Medicare Supplement Plan or a Senior HMO.**

The Medicare Supplement Plan provides medical benefits for the retiree and the spouse after age 65 by supplementing coverage under Medicare. The spouse is eligible to participate after reaching age 65. Dependents under age 65 must be covered through the Early Retiree Medical Plan.

B. Employees retiring from active employment on or after 1 January 2004 who:

- 1. Are eligible for Medicare and who have ten (10) years of credited service; or,**
- 2. Retire before age 65 who thereafter become eligible for Medicare and have ten (10) years of credited service may elect to have medical coverage under the Medicare Eligible Retiree Medical Plan (MERMP) or a Senior HMO.**

The MERMP provides medical benefits for the retiree and the spouse after age 65 by supplementing coverage under Medicare. The spouse is eligible to participate after reaching age 65. Dependents under age 65 may be covered through the Early Retiree medical coverage.

- 3. The retiree may elect single or family coverage under the MERMP or a Senior HMO. The retiree cost for either of these coverages will be a flat monthly contribution amount, but is also subject to a maximum monthly Company**

subsidy amount. The flat monthly contribution is:

Single	Family
\$10	\$20

Lockheed Martin will share in the cost of the MERMP or Senior HMO up to a maximum monthly Company subsidy amount. The maximum monthly Company subsidy amount is \$250.00 for single coverage or \$500.00 for family coverage. The cost to the retiree for either of these coverages will be the flat monthly contribution as long as the Medicare Eligible Retiree Medical Plan (MERMP) or the Senior HMO premium is equal to or less than the maximum monthly Company subsidy amount. The retiree's flat monthly contribution cost sharing increases by 100% of the MERMP or Senior HMO costs that exceed the maximum monthly Company subsidy amount. If the Senior HMO cost becomes greater than the MERMP cost, but is less than the maximum monthly Company subsidy amount, the retiree's flat dollar cost sharing amount will increase by 100% of the difference between the MERMP cost and the Senior HMO cost.

4. The terms of the Medicare Eligible Retiree Medical Plan (MERMP) will be summarized in a separate Summary Plan Description. The terms of the plan in the SPD will not be changed during the term of the agreement except for legally required changes or any mutually agreed to changes. Copies of this Summary Plan Description will be furnished to the Union and to each employee eligible for the Plan.

The following provides a summary of the Medicare Eligible Retiree Medical Plan (MERMP).

	MEDICARE ELIGIBLE RETIREE MEDICAL PLAN (MERMP)
Medicare Parts A and B	MERMP supplements your Medicare Parts A&B coverage. Medicare is primary and reimbursement under the Company plan is reduced for any amounts payable from Medicare Parts A&B regardless of the enrollee's actual Medicare enrollment
Lifetime Maximum	\$500,000 (no annual restoration)
Calendar Year Deductible	\$100 per person Applies to all covered medical expenses except routine physical exams and prescription drugs (retail and mail order)
Out-of-Pocket Maximum	\$5,000 per individual (excludes the deductible)
Skilled Nursing Facility	Plan pays 80%, after the deductible, for up to 120 days per calendar year
Outpatient Physician	Plan pays 80%, after the deductible
X-ray/Lab	Plan pays 80%, after the deductible
Routine Physical Exam	Plan pays 80%, no deductible; limits apply
Hearing Aid	Not covered

	MEDICARE ELIGIBLE RETIREE MEDICAL PLAN (MERMP)
Home Health Care	Plan pays 80%, after the deductible, for up to 120 visits per calendar year
Hospice Care Program	Plan pays 80%, after the deductible, for up to 210 days per calendar year
Mental Health and Substance Abuse Inpatient Outpatient	Plan pays 80%, after the deductible Plan pays 50%, after the deductible
PRESCRIPTION DRUGS	Medical plan deductible does not apply
At network retail pharmacies	For up to a 30 day supply, you pay a copay per prescription; per refill:
Generic drugs	10% copay – minimum \$5/ maximum \$10 copay
Brand drugs	20% copay – minimum \$10/ maximum \$20 copay for preferred brand 40% copay – minimum \$25/ maximum \$50 copay for non-preferred brand
At non-network pharmacies	You pay for the prescription/refill and file a claim for reimbursement with the prescription drug claims administrator (EHS). You will be responsible for:
Generic	50% of the retail price with a minimum \$5 copay
Brand	50% of the retail price (preferred or non- preferred) with a minimum \$30 copay
Mail Order	Up to a 90 day supply per prescription; per refill
Generic drug	\$10
Brand name drug	\$20– preferred brand \$50 – non-preferred brand
Generic Substitution	If you request a brand name drug when your physician permits a generic drug substitution, you will pay the preferred or non-preferred brand name copay plus the difference between the generic and brand name cost
Formulary	Open formulary
Copays	Three tier – generic, preferred brand and non- preferred brand name drugs
Prior Authorization – list is subject to periodic review & update by the claims administrator	Included

- 1 5. Senior HMOs provided by HMOs will be
2 offered when they are available to be
3 offered by the Company. Individuals
4 may enroll in such plans at retirement.
5 An annual enrollment will be provided to
6 change plans of enrollment to any other
7 age 65 and over retiree plan offered at
8 that location, subject to any restrictions
9 on location of domicile.

10
11 J. CONTINUING COVERAGE AFTER
12 RETIREMENT:

- 13
14 1. At the time of retirement, retirees may
15 enroll in the **Early Retiree Preferred**
16 **Provider Organization Plan**, Point of
17 Service Plan or the Medicare **Eligible**
18 **Retiree Medical Plan**, or any HMO or
19 Senior HMO as applicable and available
20 to retirees.
21
22 2. Retirees enrolled in a company retiree
23 medical plan will annually be provided
24 the option to change their plan of
25 enrollment to any other company
26 provided plan subject to service area
27 availability.
28
29 3. Retirees eligible for coverage as
30 described above in J.1. may delay
31 enrollment in a plan if they are covered
32 under another group health care plan.
33 The retiree may later activate enrollment

1 in one of the above retiree plans if the
2 delayed enrollment is made within 31
3 days following termination under the
4 other group health care plan.
5

6 4. Active Medical coverage is not required
7 at time of retirement in order to begin or
8 delay coverage in a retiree medical plan.
9

10 5. In the event of the death on or after 1
11 **January 2004**, of an hourly employee
12 who is otherwise eligible to retire, the
13 surviving spouse and/or surviving
14 dependent children will be eligible for
15 retiree medical coverage subject to
16 provisions of the plan. **The retiree**
17 **medical coverage becomes effective**
18 **the 1st day of the second month**
19 **following the month the death**
20 **occurred. Additionally, the active**
21 **medical coverage for the surviving**
22 **spouse and/or surviving dependent**
23 **children will continue without**
24 **employee contribution to the end of**
25 **the month following the month the**
26 **death occurred.**
27

28 6. In the event of the death of a retiree on
29 or after 10 April 2000, coverage for the
30 surviving spouse and/or dependent
31 children will continue as long as they
32 remain eligible or until the surviving
33 spouse remarries.

K. COORDINATION OF BENEFITS (Applicable to all medical plans):

Coordination with Other Plans is described in the respective Summary Plan Descriptions of the Plans.

**APPENDIX C-2
DENTAL PLAN**

Pursuant to agreements reached between Lockheed Martin Aeronautics Company – Fort Worth and the International Association of Machinists and Aerospace Workers, it is understood that the Dental Plan in effect immediately prior to the effective date of this Agreement shall remain in full force and effect until **December 31, 2003**. Employees are required to complete 90 days of continuous service before being eligible for coverage under a Dental Plan. This Appendix C-2 is changed to **reflect the new Comprehensive Dental Plan effective 1 January 2004**.

Effective 1 January 2004

	COMPREHENSIVE DENTAL
Calendar Year Maximum	\$1,200
Lifetime Maximum	None
Calendar Year Deductible	\$50 per person; applies to Basic Services and Major Services only
Preventive and Diagnostic Services	100%
Basic Services	80%
Major Services	80%
Orthodontia	50%; \$1,000 lifetime; for children and adults
TMJ Lifetime	80%; \$300 lifetime

1 TERMS OF THE PLAN: The terms of the
2 Plan will be summarized in a separate
3 Summary Plan Description. The terms of
4 the plan in the SPD will not be changed
5 during the term of the agreement except
6 for legally required changes or any
7 mutually agreed to changes. Copies of
8 this Summary Plan Description will be
9 furnished to the Union and to each
10 employee eligible for the Plan.

11
12 APPENDIX C-3
13 PRESCRIPTION DRUG PLAN
14

15 Pursuant to agreements reached between
16 Lockheed Martin Aeronautics Company – Fort
17 Worth and the International Association of
18 Machinists and Aerospace Workers, it is
19 understood that the LMMBP Prescription Drug
20 Plan in effect immediately prior to the effective
21 date of this Agreement shall remain in full
22 force and effect until **31 December 2003.**
23 Effective 1 January 2004 the Company
24 self-funded Prescription Drug Plan is
25 included with and described in the
26 Preferred Provider Organization (PPO) and
27 the Point of Service (POS) Summary Plan
28 Descriptions. Employees who elect Health
29 Maintenance Organization (HMO) coverage
30 will have the prescription drug benefit
31 provided through the Company self-
32 funded Prescription Drug Plan. The HMO

1 **prescription drug plan will not be available**
2 **to the employee electing HMO coverage.**

3
4 **Effective 1 January 2004, the Company self-**
5 **funded Prescription Drug Plan for the PPO,**
6 **POS and HMO plans shall have network and**
7 **non-network benefits as follows.**

8
9 **A. Network Benefits**

10
11 For covered prescription drug expenses
12 incurred during a calendar year (not subject
13 to deductible) **the participant pays:**

- 14
15 **1. Ten percent (minimum copayment of**
16 **\$5.00, but not to exceed a maximum**
17 **copayment of \$10.00) for each generic**
18 **drug prescription; or refill furnished by a**
19 **network pharmacy.**
- 20
21 **2. Twenty percent (minimum copayment**
22 **of \$10.00, but not to exceed a**
23 **maximum copayment of \$20.00) for**
24 **each preferred brand name drug**
25 **prescription or refill furnished by a**
26 **network pharmacy.**
- 27
28 **3. Forty percent (minimum copayment**
29 **of \$25.00, but not to exceed a**
30 **maximum copayment of \$50.00) for**
31 **each non-preferred brand name drug**
32 **prescription or refill furnished by a**
33 **network pharmacy.**

1
2 **4. \$10.00 copay per generic**
3 **prescription, a \$20.00 copay per**
4 **preferred brand and \$50.00 copay**
5 **per non-preferred brand prescription**
6 **drugs furnished by a company**
7 **approved mail order network pharmacy.**
8

9 **B. Non-Network Benefits**
10

11 For covered prescription drug expenses
12 incurred during a calendar year **(not subject**
13 **to deductible) the participant pays:**
14

15 **1. Fifty percent (minimum copayment of**
16 **\$5.00) for each generic drug**
17 **prescription furnished by a non-network**
18 **pharmacy.**
19

20 **2. Fifty percent (minimum copayment**
21 **of \$30.00) for each preferred or non-**
22 **preferred brand name drug**
23 **prescription furnished by a non-**
24 **network pharmacy.**
25

26 **APPENDIX C-4**
27 **SPECIAL ACCIDENT PLAN**
28

29 Pursuant to agreements reached between
30 Lockheed Martin Aeronautics Company –
31 Fort Worth and the International Association
32 of Machinists and Aerospace Workers, it is
33 understood that **the** Optional High Limit

1 Group Accident Insurance Plan in effect
2 immediately prior to the effective date of
3 this Agreement shall remain in full force
4 and effect until 31 December 2003.
5 Effective 1 January 2004 the Optional
6 High Limit Group Accident Insurance Plan
7 is replaced by the Special Accident Plan.

8
9 **ELIGIBILITY:** Employees actively at work on
10 or after 1 January 2004 who have completed
11 90 days continuous service will be eligible for
12 participation.

13
14 **TERMS OF THE PLAN:** The terms of the
15 Plan will be summarized in a separate
16 Summary Plan Description. The terms of
17 the plan in the SPD will not be changed
18 during the term of the agreement except
19 for legally required changes or any
20 mutually agreed to changes. Copies of
21 this Summary Plan Description will be
22 furnished to the Union and to each
23 employee eligible for the Plan.

24
25 **Effective 1 January 2004 the following**
26 **schedule is applicable.**

SPECIAL ACCIDENT PLAN - Optional

Employee	Spouse	Child
\$25,000	\$10,000	\$10,000
\$50,000	\$25,000	\$25,000
\$100,000	\$50,000	\$50,000
\$200,000	\$100,000	
\$300,000	\$150,000	
\$400,000	\$200,000	
\$500,000	\$250,000	

(1) Salary limit of 10 times annual pay if amount above \$300,000 is desired.

(2) Employee must be enrolled in order to elect spouse and/or child coverage.

(3) If more than one child is covered, the employee only pays for the cost of one child — but all children are covered for the same amount of insurance selected by the employee. Different amounts for children are not permitted.

During 2003 the premium rate for the Special Accident insurance set forth above is based upon the rate of \$.014 per month per \$1,000 for employee coverage, \$.023 for spouse coverage and \$.033 for child coverage. Each 1 January the rates will be reviewed and may be increased or decreased according to past and estimated future experience as determined by the insurance carrier in accordance with accepted actuarial principles.

**APPENDIX C-5
HEARING AID BENEFIT PLAN**

Pursuant to agreements reached between Lockheed Martin Aeronautics Company – Fort

1 Worth and the International Association of
2 Machinists and Aerospace Workers, it is
3 understood that the Hearing Aid benefit plan
4 shall remain in full force and effect until 31
5 December 2003. Effective 1 January 2004
6 the Hearing Aid benefit plan will be
7 included in the Preferred Provider
8 Organization (PPO), Point of Service (POS)
9 and Health Maintenance Organizations
10 (HMO). The HMO benefit will be the POS
11 Network benefit where available. If not
12 available, the HMO Hearing Aid benefit will
13 be the filed plan (including copays) that is
14 the nearest to the POS plan.

15
16 **ELIGIBILITY:** Employees actively at work on
17 or after 1 January 2004, who have completed
18 90 days of continuous service, and their
19 eligible dependents, will be covered under
20 the plan.

21
22 **The following is a brief summary of the**
23 **benefits.**

24
25 The reasonable and customary charge of
26 hearing and audiometric exams are payable
27 at the network and the non-network benefit
28 levels below, not to exceed the maximum of
29 \$100 for both exams.

30
31 **Network:**

32 **POS will pay 100% after you pay \$15.00**
33 **copay per visit**

1 PPO will pay 90% after deductible

2
3 Non-network:

4 POS will pay 70% after deductible

5 PPO will pay 80% after deductible

6
7 The reasonable and customary charge for a
8 hearing aid or aids are payable as
9 described below provided that such aids
10 were purchased by a network or non-
11 network physician certified as an
12 otolaryngologist. Maximum covered expense
13 per hearing aid per ear will be \$1,000.

14
15 Network:

16 POS will pay 100%, no copay

17 PPO will pay 90%, no deductible

18
19 Non-network:

20 POS will pay 70%, after deductible

21 PPO will pay 80%, no deductible

22
23 TERMS OF THE PLAN: The terms of the
24 Plan will be summarized in the PPO and
25 POS Summary Plan Descriptions. The
26 terms of the plan in the SPD will not be
27 changed during the term of the agreement
28 except for legally required changes or any
29 mutually agreed to changes. Copies of
30 this Summary Plan Description will be
31 furnished to the Union and to each
32 employee eligible for the Plan.

1 LIMITATIONS: The number of hearing aids
2 will be limited to one per ear per covered
3 employee or covered dependent during any
4 period of three consecutive years.

5
6 Replacements are covered only if the
7 hearing aid being replaced has been in use
8 for at least three years and such replacement
9 is made upon the written recommendation of
10 a physician certified as an otolaryngologist.

11
12 The number of hearing and audiometric
13 exams will be limited to one each per
14 covered employee or covered dependent
15 during any period of three consecutive years.

16
17 **APPENDIX C-6**
18 **VISION PLAN**
19

20 Pursuant to agreements reached between
21 Lockheed Martin Aeronautics Company –
22 Fort Worth and the International Association
23 of Machinists and Aerospace Workers, it is
24 understood that a Vision plan will become
25 effective 1 January 2001 subject to the
26 following provisions:

27
28 ELIGIBILITY: Employees actively at work on
29 or after 1 January 2001 who have completed
30 90 days of continuous service, and their
31 eligible dependents, will be covered under
32 the plan.
33

OVERVIEW:

		Frequency	Plan Pays	
			Network provider	Non-network provider
Eye examination	Once every two calendar years	Covered in full after \$10 copay	Up to \$30	
Corrective Prescription Lenses	Once every two calendar years	Covered in full after a \$20 copay for standard lenses and/or frames, excluding additional costs for non-covered lens options (tints, coatings, progressive lenses, etc)	\$30	
Single vision			\$50	
Bifocals			\$70	
Trifocals			\$115	
Lenticular				
Frames	Once every two calendar years	Covered up to an established frame allowance after a \$20 copay for standard lenses and/or frames	Up to \$35	
Contact lenses (in lieu of eyeglass frames and lenses):	Once every two calendar years		Up to \$65	
• Elective		Up to \$85	Up to \$150	
• Medically necessary*		Covered in full after a \$20 copay		
*Medically necessary lenses are covered with advance approval from the vision plan claims administrator.				

1 The terms of the Plan will be summarized in
2 a separate Summary Plan Description. The
3 terms of the plan in the SPD will not be
4 changed during the term of the agreement
5 except for legally required changes or any
6 mutually agreed to changes. Copies of the
7 SPD will be furnished to the Union and to
8 each employee eligible for the Plan.

9
10 **APPENDIX C-7**
11 **SPENDING ACCOUNTS**
12

13 Pursuant to agreements reached between
14 Lockheed Martin Aeronautics Company – Fort
15 Worth and the International Association of
16 Machinists and Aerospace Workers, it is
17 understood that Health Care and Dependent
18 Care Spending Accounts shall remain in full
19 force and effect until 31 December 2003.
20 Effective 1 January 2004, the Health Care
21 and Dependent Care Spending Accounts
22 will be subject to the following provisions:

23
24 **ELIGIBILITY:** Employees actively at work on
25 or after 1 January 2004 who have completed
26 90 days of service.

27
28 **OVERVIEW:** The Health Care and
29 Dependent Care Spending Accounts are pre-
30 tax benefit plans. Contributions are deducted
31 from participating employees paychecks
32 before taxes are taken out. The Health Care
33 and Dependent Care Spending Accounts are

1 subject to rules and regulations set forth by
2 the Internal Revenue Service.

3
4 **BENEFIT:**

5 **Health Care Spending Account (HCSA)**

6 **Annual Contribution Elections**

7 Minimum annual contribution **\$100**

8 Maximum annual contribution **\$5,000**

9
10 **Claim Filing Minimum \$5**

11
12 **Claim Filing Deadline April 30th of the**
13 **following year**

14
15 **Dependent Care Spending Account (DCSA)**

16 **Annual Contribution Elections**

17 Minimum annual contribution **\$100**

18 Maximum annual contribution **\$5,000**

19
20 **Claim Filing Minimum \$5**

21
22 **Claim Filing Deadline April 30th of the**
23 **following year**

24
25 **The terms of the Plan will be summarized**
26 **in a separate Summary Plan Description.**
27 **The terms of the plan in the SPD will not**
28 **be changed during the term of the**
29 **agreement except for legally required**
30 **changes or any mutually agreed to**
31 **changes. Copies of this Summary Plan**
32 **Description will be furnished to the Union**
33 **and to each employee eligible for the Plan.**

APPENDIX D
APPLICATION AGREEMENT

1. The job descriptions, their evaluations and labor grade assignments, as listed under Appendix "A," Part I and Part II, shall remain in effect for the duration of this Agreement.

2. All job classifications, their descriptions and labor grade assignments, under Appendix "A," Part I and Part II, shall become effective 28 April 2003. No employee will be reclassified retroactively, nor will he/she receive any retroactive adjustment as a result of reclassification.

3. Automatic increases will continue to be made in accordance with the applicable provisions of this Agreement.

Employees who have been subject to automatic increases and who are placed in a new classification and a higher labor grade or who are upgraded and as mutually agreed to are still subject to automatic increases shall retain the same automatic bring up date that was in effect under the old Agreement.

Employees who were at the maximum rate of their classification immediately prior to 28 April 2003 and who are placed

1 in a new classification and a higher labor
2 grade or who are upgraded will
3 commence automatic rate progression on
4 that date.

- 5
6 4. (a) Employees in a job classification that
7 was upgraded will remain at their
8 current rate and will be eligible for
9 automatic rate progression.

10
11 Such employees will retain their same
12 automatic progression date unless
13 they are not currently in automatic
14 progression, in which case their
15 automatic progression date will be set
16 at 28 April 2003.

- 17
18 (b) Employees in a job that was combined
19 with a higher grade classification of
20 that they are already "capable of
21 performing" will have their pay
22 established in accordance with the
23 provisions of Appendix "I," Mutual
24 Agreement #7 - Part 2 of the
25 Company-Union Agreement.

26
27 5. Group Insurance

- 28
29 (a) Revised group insurance coverage for
30 employees will be effective on the
31 dates specified in the Labor
32 Agreement dated 28 April 2003. In any
33 instance in which an employee is

absent from work on the effective date of any revised group insurance benefit due to illness or injury, then the effective date for the revised group insurance coverage will be deferred until the date the employee returns to full-time work.

(b) Revised group insurance coverage for dependents will be effective on the dates specified in the Labor Agreement dated **28 April 2003**. In any instance in which a dependent is disabled (illness or injury) on the effective date of any revised group insurance benefit, then the effective date for the revised group insurance coverage will be deferred until the date the disability (illness or injury) of the dependent ceases.

(c) Retiree medical insurance coverage (Appendix "C-1," Sections H and I) for employees with a retirement date of **14 April 2003** or later will become effective as specified in the collective bargaining agreement dated **28 April 2003**.

6. Wage Payments

(a) By **16 May 2003**, each employee on the active payroll in this bargaining

1 unit on **27 April 2003** shall receive a
2 Ratification Bonus of **one thousand**
3 **five hundred dollars (\$1500.00)**.
4

5 (b) Effective **28 April 2003**, the minimums
6 and maximums of factory labor grades
7 one (1) through fifteen (15) and the
8 minimums and maximums of technical
9 and office labor grades one (1)
10 through fourteen (14) and the base
11 rate of each employee on the active
12 payroll or approved leave of absence
13 shall be increased by **four percent**
14 **(4%)** computed to the nearest one
15 cent (1¢) increment.
16

17 (c) Effective **26 April 2004**, the minimums
18 and maximums of factory labor grades
19 one (1) through fifteen (15) and the
20 minimums and maximums of technical
21 and office labor grades one (1)
22 through fourteen (14) and the base
23 rate of each employee on the active
24 payroll or approved leave of absence
25 shall be increased by three percent
26 (3%) computed to the nearest one
27 cent (1¢) increment.
28

29 (d) Effective **25 April 2005**, the minimums
30 and maximums of factory labor grades
31 one (1) through fifteen (15) and the
32 minimums and maximums of technical
33 and office labor grades one (1)

1 through fourteen (14) and the base
2 rate of each employee on the active
3 payroll or approved leave of absence
4 shall be increased by three percent
5 (3%) computed to the nearest one
6 cent (1¢) increment.

7
8 (e) Effective 26 April 2004, and after the
9 application of the action prescribed
10 in Section 4C, the COLA float (if any)
11 accumulated after 28 April 2003 shall
12 be added to the minimums and
13 maximums of the rate ranges set forth
14 in this Article Three, Section 5-A.

15
16 (f) Effective 25 April 2005, and after the
17 application of the action prescribed
18 in Section 4D, the COLA float (if any)
19 accumulated after 26 April 2004 shall
20 be added to the minimums and
21 maximums of the rate ranges set forth
22 in this Article Three, Section 5-A.

23
24 (g) Effective 13 February 2006, the COLA
25 float (if any) accumulated after 25 April
26 2005 shall be added to the minimums
27 and maximums of the rate ranges set
28 forth in this Article Three, Section 5-A.

29
30 (h) Effective 26 April 2004, and after the
31 application of the action prescribed
32 in Section 4C, for each employee on
33 the active payroll, their individual COLA

1 float (if any) accumulated after **28 April**
2 **2003** shall be incorporated into their
3 base wage rate.

4
5 (i) **Effective 25 April 2005, and after the**
6 **application of the action prescribed**
7 **in Section 4D, for each employee on**
8 **the active payroll, their individual COLA**
9 **float (if any) accumulated after 26 April**
10 **2004** shall be incorporated into their
11 base wage rate.

12
13 (j) **Effective 13 February 2006, for each**
14 **employee on the active payroll, their**
15 **COLA float (if any) accumulated after 25**
16 **April 2005** shall be incorporated into
17 their base wage rate.

18
19 (k) **By 5 December 2003, each employee**
20 **who was on the active payroll in this**
21 **bargaining unit on 24 November 2003**
22 **shall receive a supplemental cost-of-**
23 **living payment of six hundred dollars**
24 **(\$600).**

25
26 (l) **By 3 December 2004, each employee**
27 **who was on the active payroll in this**
28 **bargaining unit on 22 November 2004**
29 **shall receive a supplemental cost-of-**
30 **living payment equal to six hundred**
31 **dollars (\$600).**

32
33 (m) **By 2 December 2005, each employee**
34 **who was on the active payroll in this**

1 bargaining unit on 21 November 2005
2 shall receive a supplemental cost-of-
3 living payment equal to six hundred
4 dollars (\$600).

5
6 7. Employees on authorized leaves of
7 absence without pay on 28 April 2003 will
8 receive increased and/or new benefits
9 when they return to the active payroll.

10
11 8. Unless otherwise specified herein, or in
12 the new Labor Agreement, all provisions
13 of the new Agreement shall be effective
14 28 April 2003, subject to signing the
15 complete Agreement and all supplements
16 thereto.

17
18 APPENDIX E

19 EMPLOYER-EMPLOYEE
20 COMMUNICATIONS PROGRAM

21
22 The parties to this Agreement mutually agree
23 to adopt and use the Federal Mediation and
24 Conciliation Service "Preventive Mediation
25 Program" for the duration of this Agreement.

26
27 This communications program is for the
28 purpose of achieving improved employer-
29 employee relations, and to instill better day-
30 to-day communications practices between
31 the parties.

1 This program is specifically designed to help
2 develop and maintain relationships that will
3 effectively avoid controversy in the future.
4 This will be accomplished by leadership and
5 training in periodic, mandatory meetings
6 attended by representatives of the Federal
7 Mediation and Conciliation Service, the
8 Union and the Company.

APPENDIX F

REGRESSION GROUPS

Assembly Regression Group #1

Electrical and Radio Mock-Up Person "A"
(L/G 3)



Assembler Electrical and Radio Bench "A"
(L/G 9)

Assembly Regression Group #2

Field and Service
Mechanic A&P
(L/G 1)**

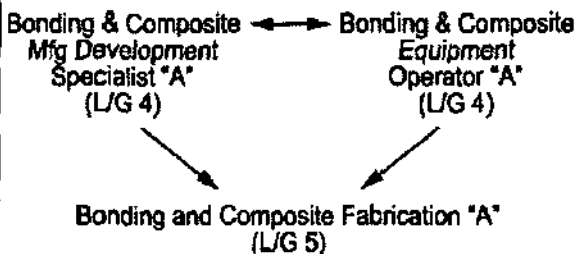
Field and Service
Mechanic A
(L/G 1)

Aircraft
Mechanic
(L/G 3)

Assembler Aircraft
(L/G 6)

** Per Mutual Agreement #65 (old number from 1990)

Fabrication Regression Group #1



Fabrication Regression Group #2

Tube Mock-Up Person "A"
(L/G 3)

Tube Bender and Assembler "A"
(L/G 6)

Inspection Regression Group #1

Inspector – Flight Operations "A"
(L/G 1)

Inspector Assembly "A"
(L/G 3)

Inspection Regression Group #2

Inspector – Tooling "A"
(L/G 1)



Inspector Material Detail "A"
(L/G 5)

Maintenance Regression Group #1

Maintenance Mechanic "A"
(L/G 1)



Equipment Service Person "A"
(L/G 10)



Service Attendant
(L/G 14)

Maintenance Regression Group #2

Carpenter/Painter "A"
(L/G 4)

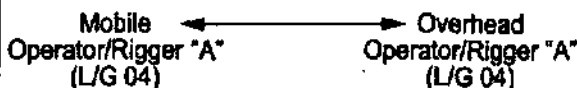


Equipment Service Person "A"
(L/G 10)



Service Attendant
(L/G 14)

Traffic Regression Group #1



APPENDIX G

GLOSSARY OF TERMS

USED IN WRITING JOB DESCRIPTIONS

The following terms and words are given definition and meaning to indicate the common and consistent interpretation to be placed in them by all persons using the descriptions:

1. ADAPT TOOLING

Means to modify, alter or change furnished tooling to fit it for a specific need without altering its basic design.

2. AND/OR

Means that the employee is to perform one or the other of the work operations or may perform both.

3. ANGLE, COMPOUND

Means the angle between the two non-coinciding sides of two oblique angles which are in different planes and have a vertex and one side in common. Making

a compound angle usually presents a coordinating tolerance problem since it results from the holding within tolerances of two adjoining component angles. After the compound angle is formed, its measurement with protractor square or sine bar is exactly the same as for any other angle and no more difficult.

4. AS DIRECTED

Means that determinations connected with the work operation described are usually and normally made by others and are given or made known to the worker directly concerned with the assignment. Use of this term does not mean that the details and determinations involved need be repeated each time an identical or very similar work assignment is made or work operation performed.

5. AS REQUIRED

Means that the work operation function or job duty is usually and normally performed after or as direct result of an order, work assignment or request from recognized supervisory personnel and/or has been used in some instances to mean an occasional or incidental job requirement. The intended meaning is evident from the level of difficulty defined

1 in the job description for the classification
2 in which it is used.

3
4 **6. ASSEMBLY JIGS**

5
6 Are those which facilitate holding and
7 aligning a set of parts for fabrication or
8 assembly operations.

9
10 **7. ASSISTS, ASSISTS "A" (and/or "B")**

11
12 Means to help or aid other employees in
13 the performance of certain work but not
14 exceed the level of difficulty set forth in
15 the job description as per his
16 classification. The assisting worker is not
17 expected to work wholly independently
18 but rather cooperatively and, further, is
19 entitled to and should receive the
20 guidance and instruction considered
21 usual and normal under such
22 circumstances.

23
24 **8. BLUEPRINTS, DETAIL**

25
26 Are any class of blueprints which give
27 necessary detailed information for
28 fabricating one or more parts.

29
30 **9. BLUEPRINTS, DETAIL ASSEMBLY**

31
32 Are blueprints which provide information
33 for assembling parts together with the

1 necessary information for making some
2 or all of the individual parts.

3 4 10. BLUEPRINTS, DETAIL PARTS

5
6 Are blueprints which give the necessary
7 information for making one part in any
8 required number, all of which must be
9 interchangeable.

10 11 11. BLUEPRINTS, MAJOR ASSEMBLY AND 12 INSTALLATION

13
14 Are blueprints which provide information
15 for the installation and/or assembly of
16 fabricated and accessory parts into the
17 airplane during final assembly, and for
18 the construction of such major
19 assemblies as fuselage, wing,
20 empennage and engine control stand.

21 22 12. CAPACITY

23
24 As used with regard to the operation of
25 machine tools and fabrication machines,
26 means the full utilization of the particular
27 category of tools and equipment specified
28 in accordance with custom and current
29 operating and maintenance practices
30 throughout the plant. It is recognized that
31 the above will not necessarily include
32 every machine or fabrication operation for
33 which any particular type of equipment

1 was designed by the machine tool or
2 fabrication machine manufacturer.

3 4 13. CHECK, CONTINUITY

5
6 Means to check electrical harness for the
7 flow of electrical current or to check
8 hydraulic or other pressure lines for flow
9 and absence of leaks. Continuity checks
10 are made without ships power and are
11 accomplished by means of visual check
12 or standard techniques.

13 14 14. CHECK, FUNCTIONAL

15
16 Means to determine or ascertain whether a
17 unit or portion of a system performs the
18 function for which it is intended and if not,
19 whether rework, alteration or replacement is
20 required. Checks of this nature include the
21 preliminary checking of response to controls
22 on individual components such as doors,
23 landing gears, steering system, engine
24 controls, control surfaces, etc., through the
25 use of auxiliary sources of power.

26 27 15. CHECK, OPERATIONAL

28
29 Means making a complete final check of
30 an entire completed independent system
31 or a major unit thereof and always takes
32 place on a completely assembled or
33 installed system. Examples include a

complete electrical system, hydraulic system, surface control system or the engine controls. It implies as necessary a thorough knowledge of the shop theory involved.

16. CHECK, VISUAL

Means detecting with the naked eye, or with such aids as mirrors, obvious defects and imperfections; its use implies sufficient knowledge and familiarity on the part of the worker to make the required identification. Such check would uncover incomplete assembly (missing parts or operations) visible surface cracks, badly driven rivets, and similar conditions.

17. COMPOSITE MATERIALS

Any combination of plastics/resins possibly containing graphite/fiberglass reinforcement that is hand/machined layed and then cured to final part shape.

18. CONTOUR

Means a curved surface having radii of different lengths all of which lie to parallel planes or the same plane, such planes being perpendicular to the curved surface, or means a curved line having radii of

different lengths all of which are in the same plane. The surface of a cone or section thereon, a typical airfoil surface, the curved edge of a profiled plate and the curved layout line guiding the making of a router block are examples. Contour surfaces composed of sections of cylinders and edges whose profile is a section of a circle are excluded since the radii are the same length.

19. CONTOUR, COMPLEX

Means a curved surface of unusual intricacy and variability.

20. CONTOUR, COMPOUND

Means a curved surface having radii of different lengths which lie in nonparallel planes. Compound contours are typical of stretch press and drop hammer dies. The surface of a sphere or section thereon would be a regular compound contour and was meant to be excluded.

21. CONTOUR, REVERSE

Means a compound contour that reverses its curvature so that it has both concave and convex portions.

22. CONTOUR, SEVERE

Means a contour which necessitates a high degree of care or skill to properly perform the work operations referred to as compared to the same work operations on flat or slightly contoured surfaces.

23. COORDINATED TOLERANCES, COORDINATED DIMENSIONS

These expressions are used only when exacting tolerances are implied, i.e., exacting tolerances are to be associated always with "coordinated dimensions" "coordinated tolerances" unless modified expressly. It should be understood that the mere location of a point by two or more reference dimensions may not in itself mean that the dimensions themselves are coordinated. An example of coordinated dimensions is shown in the following: The precision dimensions between two holes must be held while at the same time the precision dimensions locating each of the holes must also be held with respect to another reference point or lines.

24. DRAW, DEEP

Means the relation of depth of draw to its other dimensions is such that it is distinguished from moderate or shallow draws by custom.

1 25. DRAW, DRAWING

2
3 Means the forming of sheet metal or
4 other material by pressing it into a die.
5 May at the same time retard movement
6 of the metal into the die by mechanical
7 holding as with draw rings.

8
9 26. FABRICATES COMPLETELY

10
11 Means to perform all necessary fabrication
12 operations required to produce a finished
13 article ready for use in an assembly,
14 airplanes or the plant.

15
16 27. FABRICATION, FABRICATES

17
18 Means work operations on raw materials
19 and partially manufactured parts which
20 increase its or their value and utility.

21
22 28. HAND TOOLS

23
24 These include hand tools normally used by
25 the workmen in the performance of the
26 occupation.

27
28 29. HOLDING FIXTURES

29
30 Refers to tooling designed to hold the
31 work so that machining, installations,
32 assembly or layout operations are
33 facilitated.

30. HOLDING FIXTURES, PRODUCTION

Are those designed to hold or align one part or one assembly. Holding jigs are included in this class.

31. HOLDING FIXTURES, STANDARD

Are those which can be used on a wide variety of parts and which are usually found in all well equipped shops of similar nature. They are a portion of the Standard Tooling category concerned principally with holding the work.

32. IMPROVISES AND ADAPTS STANDARD TOOLING

Means to use standard tooling (see definition) in such manner as to secure and align part or otherwise aid or expedite fabrication. It implies that exercise of skill and ingenuity may be required and the problems involved are not solved by standard means.

33. IMPROVISE TEMPORARY TOOLING

See "Improvise Tooling." Means, in addition, that the tooling is intended for temporary use only and is made or adapted from equipment, material and tooling on hand.

34. IMPROVISE TOOLING

Means that a worker, to accomplish a given task, recognizes the need for and exercises his ingenuity and skill to create a production aid which will permit doing the work with greater exactness, rapidity and/or facility.

35. LAYOUT (n), LAYS OUT (v)

Means the actual marking of locating and/or reference points and lines on material, parts, tool or assembly worked on. Layout in itself does not imply a high level of difficulty or skill since it can be a simple work operation such as measuring a length on a piece of lumber and marking a line or point at which it is to be sawed, marking lines on pavement with a chalk line preparatory to painting, or scribing around a furnished template laid on flat stock. On the other hand, layout can be a difficult work operation which requires much skill, knowledge and experience to make the necessary computations, part setup, precise measurements and marking, and interpretation of complex blueprints such as on a complex die or casting requiring layout to establish locations for coordinated hole patterns, compound angles and/or irregular contours.

36. LAYOUT OF PART

Means the marking of points and/or lines which will determine the exact nature and dimensions of the part after machining or fabrication operations have been performed. Layout of this nature is an integral and necessary step in the fabrication of the part.

37. LAYOUT OF REFERENCE LINES AND POINTS

Means the marking of points and lines to aid or guide the workman in performing a given operation. It often indicates points and lines from which precision measurements will be taken although the points and lines themselves need not have been located exactly. Layout of this nature is often optional rather than necessary as it may serve to reduce the number of measurements, limit gross errors, or to permit working to closer than specified tolerances.

38. MANUFACTURING-OUTLINES SHEETS

These sheets or cards furnish all or some of the following information; the order or sequence in which operations are to be performed, the tools to be used, the production tooling available and its

1 tooling identification number, machine
2 feeds and speeds, and special
3 manufacturing instructions, if any. This
4 refers to operation sequence sheets,
5 process sheets, operations sheets or
6 cards, manufacturing operation cards,
7 and other written information furnished
8 the operator of the same nature and for
9 the same use and purpose.

11 39. MAY

12
13 The word "may" preceding any sentence
14 in the Work Performed section of the job
15 description shall indicate work operations
16 which are not necessarily performed in all
17 the departments in which the job
18 classification is found or occasional
19 duties performed only a portion of an
20 employee's time or work operations
21 which are incidental to other work
22 described. Work operations, when
23 preceded by the word "may" shall not
24 indicate a job requirement in order to be
25 upgraded to the job classification.

27 40. MODIFICATION

28
29 Means to alter or change aircraft, their
30 assemblies, furnishings, equipment,
31 accessories, systems or parts to conform
32 with changed specifications.

1 41. PRODUCTION AIDS

2

3 Are devices initiated voluntarily and made
4 by the worker to facilitate work
5 operations, increase production or reduce
6 elements or fatigue or strain. Such
7 devices are usually simple but ingenious
8 in nature.

9

10 42. PRODUCTION ILLUSTRATIONS

11

12 Are blueprints or sketches which are
13 used as an aid in visualizing parts and/or
14 their assembly and are usually isometric,
15 perspective, pictorial or three dimensional
16 projection drawings. Blueprint dimensions
17 might be shown also.

18

19 43. PICKUP WORK: PICKUP

20

21 Means the performance out of usual or
22 normal sequence of work operations
23 which have been omitted by intention or
24 of necessity (as part shortage or rushed
25 schedule) or by oversight (as failure to
26 drill a hole, make a cutout, or install a
27 part). Pickup work does not of itself
28 establish a high or higher level of
29 difficulty since work done out of
30 sequence is very often of the same
31 difficulty or within the same level of
32 difficulty as when done in sequence.
33 Therefore, the level of difficulty intended

is to be determined from the composite job description and compared with the actual pickup work in question.

44. REPAIR

Means to restore a part or assembly to its original state or utility after it has been damaged by accident or by wear. It does not have the same meaning as "Rework."

45. REWORK

Means to undo and then do over work previously accomplished by the same or by other workers in order to correct errors or make it conform to specifications. Rework can be simple or difficult according to its nature and variety; therefore, the level of difficulty intended is to be determined from the composite job description. (See Repair.)

46. SETUP (n), SETS UP (v)

Is a broad term which becomes specific only according to its usage and application to machines and/or operations concerned. It includes the various necessary physical work operations or steps (other than layout) which must be accomplished before actual fabrication can proceed. Setup of a

1 machine might include securing material
2 to machine bed at the proper angle for
3 cutting, selecting, aligning and setting
4 cutting tool, setting speeds and feeds,
5 adjusting coolant flow, or perhaps oiling
6 the machine itself. In most assembly
7 operations, setup (e.g., positioning parts,
8 obtaining parts) is so closely intermingled
9 with fitting and joining together that setup
10 is not customarily designated as such,
11 this is generally true of operations where
12 machine operation is not the primary job
13 factor.

14 15 47. SHOP PRACTICE

16
17 Means the generally accepted method of
18 performing a basic, common or usual
19 operation under specified conditions. It
20 covers the knowledge which is common
21 to the classification itself. Besides
22 knowledge and ability to use required
23 handtools and equipment, it includes
24 knowledge of general safety practices,
25 good housekeeping and care of
26 equipment.

27 28 29 48. SHOP PROCEDURE

30
31 Means the way in which work is
32 customarily and normally performed. It
33 covers or implies having sufficient

1 knowledge of organization, management,
2 and physical details of the company to
3 perform satisfactorily the required work in
4 a generally harmonious manner.

5 6 49. SHOP THEORY

7
8 Means the comprehensive occupational
9 knowledges and special skills associated
10 with the particular classification and
11 related knowledge without which
12 advanced work of high quality, quantity,
13 and uniformity may not be performed. A
14 thorough knowledge of shop theory is
15 considered necessary to accomplish the
16 more difficult and diversified work of an
17 occupation and includes a real
18 understanding of the capacities as well
19 as limitations of the machines and skills
20 used in the classification. It implies a
21 knowledge of "why" as well as "how" a
22 given task should be done. It is acquired
23 by a combination of observation,
24 experience or schooling.

25 26 50. STANDARD IN DESIGN

27
28 Means that construction and purpose are
29 common to the company or shop. It
30 implies that a lower level of difficulty is
31 involved than when "not standard in
32 design" is used.

51. TECHNOLOGY – NEW

Is defined as industrial robots, computer based machines (NC/CNC), flexible manufacturing systems, new or different methods of operations, CAD/CAM (Computer Aided Design/Computer Aided Manufacturing) and composite material automation.

For the purpose of this section, an industrial robot is a programmable, multifunctional manipulator, designed to move materials; parts, tools, or specified devices through variable programmed motions for the performance of a variety of tasks.

Flexible or automated manufacturing systems (FMS or AMS) is a grouping of manufacturing/processing equipment mechanically linked by transport, storage and handling equipment, and controlled through a computer network to provide an integrated machining, assembly or measuring system for a particular family or part configurations and materials.

CAD/CAM is the application of computers to the design, fabrication and assembly process as it relates to the geometry of a part, assembly or installation.

1 52. TOLERANCES, CLOSE

2

3 Means those tolerances which are held
4 by the machine, operator and/or fixture
5 without special care, effort or skill on the
6 part of the workman. This term expresses
7 a level of difficulty rather than a
8 preciseness of linear, angular or other
9 measurement.

10

11 53. TOLERANCES, EXACTING

12

13 Means those tolerances which require
14 special care and attention on the part of a
15 skilled workman to obtain or hold. These
16 tolerances would be difficult, if not impos-
17 sible, for a semi-skilled or unskilled
18 workman to hold consistently at a good
19 production rate. This term expresses a
20 level of difficulty rather than a precise-
21 ness of linear, angular or other
22 measurement.

23

24 54. TOLERANCES, LIBERAL

25

26 Means those tolerances which are left to
27 the judgment of the workman and are of
28 such nature that variation by the
29 workman will not result in appreciable
30 spoilage, damage or uneconomic
31 operation. This term expresses a level of
32 difficulty rather than a preciseness of
33 linear, angular or other measurement.

55. TOLERANCES, MODERATE

Means those tolerances which must be observed to maintain proper standards of workmanship or economy, but which require only reasonable care or skill to hold. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

56. TOOLING, PRODUCTION

Is specially designed tooling to facilitate production operations on any number of the same or similar parts. This type of tooling is developed to hold regular and irregular shaped parts in proper machining position, and to minimize or eliminate setup and layout. This is a general term usually associated with machining operations on lot or mass production parts and assemblies.

57. TOOLING, STANDARD

Means those tools or tooling used on the same or different types of machines or operations, principally in making a setup of either layout or machining and occasionally for bench or assembly work and which further are found commonly in nearly all shops and industries performing similar operations. In the

1 machine shop it would include Vee-
2 blocks, parallel bars, angle plates,
3 chucks, collets, machine vises, a wide
4 variety of clamps, bolts, locks and
5 wedges. In bench or assembly work it
6 would include surface plates, table vises,
7 and various common attachments used
8 on portable and stationary tools to permit
9 holding the work or increasing the scope
10 of the tool.

11
12 58. UNUSUALLY AND IRREGULARLY
13 SHAPED

14
15 Means that the parts are of such shape
16 as to require exercise of ingenuity and
17 creative thinking to properly and
18 satisfactorily fabricate them.

19
20 59. VARIABLE

21
22 Means a different degree or form of the
23 same kind of thing or operations, when
24 used to describe work operations. This
25 term also means that the work operations
26 are not highly repetitive.

27
28 60. WHEN REQUIRED

29
30 Means that the work operation, function
31 or job duty is usually and normally
32 performed after or as a direct result of an
33 order or request from recognized

1 supervisory personnel and/or means that
2 it is required or necessary only rarely or
3 when exceptional circumstances exist.
4

5 APPENDIX "H"
6 PROMOTION – FABRICATION AND
7 INSPECTION –
8 ASSEMBLY OCCUPATIONS
9

10 PART 1
11 FABRICATIONS OCCUPATIONS
12

13 Effective 10 April 1995, Article Eight will be
14 modified and applied as follows to
15 Departments 30, 31, 34, and 39.
16

17 1. Promotions
18

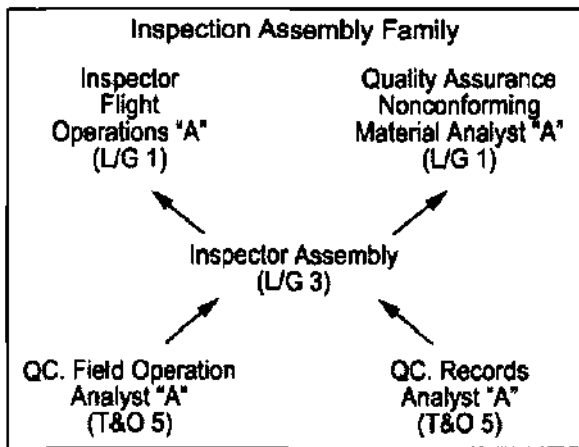
19 All classifications are combined for the
20 purpose of promotion.
21

22 2. Reduction in Work Force
23

24 At time of reduction in the work force, an
25 employee with less than two years
26 seniority shall be permitted to regress to
27 any job he/she is capable of performing.

28 All prior mutual agreements and
29 arbitration awards are modified to the
30 extent of these changes enumerated
31 herein.
32
33

1 Nothing contained in the Appendix shall be
2 construed as affecting any existing
3 regression rights.



18

19 **APPENDIX "I"**

20 **MUTUAL AGREEMENTS**

21

22 **No. 1**

23

24 **TIME COMPUTATION**

25

26 For all Production and Maintenance

27 employees except those assigned to an

28 irregular work week:

- 29
- 30 A. The accounting work week starts at
- 31 midnight Sunday and continues for one
- 32 hundred sixty-eight (168) hours until
- 33 midnight the following Sunday.

B. The regular work week consists of forty (40) hours of five (5) consecutive days (32.5 hours for third shift) Monday through Friday.

C. Saturday – An employee is considered to be working Saturday if he/she reports for scheduled work during the calendar Saturday – midnight Friday to midnight Saturday.

D. Sunday – An employee is considered to be working Sunday if he/she reports for scheduled work during the calendar Sunday – midnight Saturday to midnight Sunday.

E. Continuous Working Hours – When an employee continues working after completion of his/her regularly scheduled shift hours, all continuous hours for the remainder of the standard day are to be computed as a part of that standard day for overtime purposes.

F. Holidays – An employee is considered to be working during a holiday if he/she reports for the scheduled work during that calendar holiday from midnight to midnight.

EXAMPLES

Example I:

	M thru F	Sa	Su	M	T	W	Th	F
					5:00	5:00		
	7:00 7:00					7:00	7:00	7:00
	3:45 3:45			3:45	3:45	3:45	3:45	3:45

How Paid:

The first eight (8) hours, from 5:00 a.m. to 1:45 p.m., on the second Monday and Tuesday are paid at straight time, and the last two (2) hours each day, from 1:45 p.m. to 3:45 p.m., are paid at time-and-one-half (hours over eight).

Example II:

	M thru F	Sa	Su	M	T	W	Th	F	Sa	Su
				1:45						
			3:45	3:45	3:45	3:45	3:45	3:45		
	12:15 12:15		12:15	12:15	12:15	12:15	12:15	12:15		

How Paid:

The hours from 3:45 p.m. Sunday to 12:15 a.m. Monday are paid at double time (Sunday Shift).

On Monday, the first eight (8) hours, from 1:45 p.m. to 10:15 p.m. are paid at straight time, and the last two (2) hours, from 10:15 p.m. to 12:15 a.m., are paid at time-and-one half.

Example III:

M thru F	Sa	Su	M	T	W	Th	F	Sa	Su
					5:00	5:00			5:00
7:00 7:00			7:00	7:00			7:00		
									1:45
3:45 3:45			3:45	3:45	3:45	3:45	3:45		

How Paid:

On Wednesday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time-and-one-half for Tuesday (in excess of eight hours in standard day beginning 7:00 a.m. Tuesday). The hours from 7:00 a.m. to 3:45 p.m. are paid at straight time.

On Thursday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time-and-one-half for Wednesday (in excess of eight hours in standard day beginning 7:00 a.m. Wednesday). The hours from 7:00 a.m. to 3:45 p.m. are paid at straight time.

On Sunday, the eight (8) hours from 5:00 a.m. to 1:45 p.m. are paid at double time.

Example IV:

<u>Employee A</u>			<u>Employee B</u>		
M thru Th	F	Sa	M thru Th	F	Sa
		12:15			12:15
	A				
7:00 7:00	B	7:00	7:00 7:00		7:00
	S				
	E				
3:45 3:45	N		3:45 3:45	3:45	
	T				

How Paid:

Both employees are paid for Saturday as such when they begin work on Saturday.

No. 2

AGREEMENT CONCERNING AUTOMATIC PROGRESSION WITHIN RATE RANGES

This interpretation shall be effective on 6-14-54 and shall be recognized as an understanding of intent in the application of Article III, Sections 12-a, 12-b and 12-c of the Company-Union Agreement effective April 26, 1954:

Any employee who is subject to automatic increases by reason of the provisions found in Article III, Section 12-a of the Company-Union Agreement shall have his/her automatic increase bring-up date reset only if:

(a) the employee is absent three (3) or more continuous calendar work weeks within his/her sixteen (16) week automatic progression period, which are not covered by authorized vacation or sick leave with pay, or

(b) the employee is promoted to a job in a higher labor grade. Following such promotion to a different labor grade the employee's sixteen (16) week period for

1 automatic increase shall be reset
2 beginning with the **move** date on the
3 notice furnished by the Company.

4
5 No. 3
6 ALPHABETICAL SENIORITY

- 7
8 1. Employees who changed names after 15
9 September 1970 shall, for seniority
10 purposes only, retain their former position
11 on the seniority list.
12
13 2. Employees who had name changes prior
14 to 15 September 1970 shall be returned
15 to their former seniority position when
16 called to the attention of the Company.
17
18 3. The Company shall have no liability on
19 name changes prior to 15 September
20 1970.

21
22 No. 4
23 RE-EMPLOYMENT

24
25 If the Company decides to re-employ an
26 employee who is on layoff status to a job the
27 employee is not "capable of performing" as
28 defined in Article VIII, Section 5, it should be
29 accomplished as follows:

- 30
31 1. The employee will be paid the minimum
32 rate for the classification in which he/she
33 is placed. However, in some cases the

1 Company may at its discretion place the
2 employee in an ingrade position.

- 3
4 2. During the first thirty-five (35) days, the
5 Company will have the right to let the em-
6 ployee go if it concludes that he/she will not
7 be able to perform the job. If not retained,
8 the employee will be returned to his/her
9 layoff status in his/her original occupation.

- 10
11 3. If retained, he/she shall, upon completion
12 of thirty-five (35) days, receive 10¢ above
13 the minimum of his/her new classification
14 or his/her rate at the time he/she was laid
15 off, whichever is lower, but in no event
16 lower than the minimum of his/her new
17 classification. The retained employee
18 shall be entitled to automatic progression
19 from the date of his/her re-employment
20 and shall receive his/her original hiring
21 date for seniority purposes.

22
23 No. 5
24 APPLICATION OF CONTRACT
25 TERMINOLOGY
26 RELATED TO GENDER
27

28 Any reference in this Agreement, job
29 descriptions, mutual agreements or other
30 documents executed by the parties, relating
31 to employees of either sex shall be
32 considered as being equally applicable to
33 employees of both sexes.

1 employee desires to work the weekend
2 just prior to the effective date of his/her
3 vacation and is scheduled to work,
4 he/she will be charged.

5
6 5. Work performed on holidays, or refused,
7 will be charged in the same manner as
8 regular overtime. An employee who
9 chooses not to volunteer will not be
10 considered as having refused for
11 purposes of overtime charging. This
12 agreement in no manner affects or
13 modifies the Company's right to assign
14 employees to holiday work.

15
16 6. Employees may not trade their scheduled
17 overtime with other employees but must
18 work their regularly scheduled overtime
19 or be charged as having worked.

20
21 7. Overtime for employees serving as
22 departmental committeemen will be
23 administered as follows:

24
25 A. When elected to a departmental com-
26 mitteeman position, the employee will
27 remain on the departmental overtime
28 list as a regular employee, but will
29 also be listed on a separate commit-
30 teeman overtime list.

1 B. (1) When overtime assignments
2 arise, the committeeman will first
3 be considered for overtime as a
4 regular employee from the regular
5 department overtime list along
6 with other employees in the
7 department. If the committeeman
8 is offered overtime during this
9 step, he will be charged for
10 overtime worked or refused on the
11 departmental overtime list.

12
13 (2) If the committeeman is not offered
14 overtime from the regular depart-
15 mental overtime list and the com-
16 mitteeman overtime requirements
17 stated in paragraph 9 of this mutual
18 agreement are met, he will be
19 offered overtime under that agree-
20 ment as a committeeman. Over-
21 time worked or refused during this
22 step will be recorded on the com-
23 mitteeman overtime list.

24
25 (3) Overtime worked by an employee
26 appointed as a temporary commit-
27 teeman will be recorded following
28 the same procedure established in
29 paragraphs B(1) and B(2).

30
31 C. The refusal of an offer of overtime
32 work from the committeeman
33 overtime list by a committeeman or a

temporary committeeman shall fulfill the Company's overtime obligation to offer that employee this overtime assignment.

8. Employees who must turn down overtime assignments because of required attendance at reserve drills will not be charged for such overtime. This provision will not be subject to modification by departmental supervision and committeemen.

9. To provide representation during overtime days, a departmental committeeman will be offered an opportunity to work scheduled overtime in his department when:

(1) Ten (10) or more employees in a department are assigned to the particular overtime concerned, and

(2) The jobs operating on the overtime basis require one or more employees of the classification of the committeeman, and

(3) The committeeman concerned is capable of performing such available work, and

(4) The selection of a particular committeeman will not cause the ratio of committeemen to employees to

1 exceed that set forth in Article Seven,
2 Section 2, namely one (1) to one
3 hundred seventy five (175) or major
4 fraction thereof.
5

6 It is understood that a committeeman who is
7 selected to work on an overtime day is
8 brought in as a needed employee, not as an
9 additional employee to handle Union
10 problems, and the committeeman should
11 restrict his activities to problems arising on
12 that particular overtime day.
13

14 It will be recognized in the acceptance of this
15 interpretation that provisions of Article Four,
16 Section 17, in regard to overtime, will be
17 modified by actual practice as committeemen
18 operating under the above interpretation may
19 receive more overtime than other employees.
20 It is further recognized where several
21 committeemen are concerned in a
22 department that a reasonable rotation of
23 Company offers to committeemen to work
24 overtime will be the practice.
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No. 7
MEMORANDUM OF UNDERSTANDING
ON ESTABLISHING RATES

TRANSACTION

RATE

I. Regression

- A. A regression within an occupation ("A" to "B," to "C", or "A" to "C") Shall retain current rate or be reduced to the lower rated classification, whichever is lower.
- B. A transfer due to a reduction in force across occupational lines to a lateral labor grade (e.g., Mod, Assr. "A" to Assr. Air. "A") Shall retain current rate; or receive the former rate he/she held in the same classification, plus general increase, if any, whichever is higher.
- C. A regression across occupational lines to a classification in a lower labor grade (e.g., Dynamic Etch Proc. "A" to Comb. Plater Proc. "B") Shall retain current rate or be reduced to the maximum of the lower rated classification, whichever is lower.

II. Recall

- A. Recall under Article Eight, Section 4-B to same or a lower labor grade than that from which laid off. Shall receive the rate which he/she held at time of layoff plus general increases, if any, or the maximum rate of the classification, whichever is lower.

1 II. Recall (Continued)

2 If a "re-employed"
3 employee is recalled under
4 this section before
5 completing his/her thirty-five
6 day re-employment period,
7 the following policy shall
8 apply:

1. The employee's rate of
pay shall be effective
on the day of his/her
physical move to the
recalled job.

2. The employee's
Kardex record sheet
shall be posted
showing the
classification to which
he/she has been
recalled on the day of
his/her physical move.

10 B. A recall under Article Eight,
11 Section 4-B to a higher
12 labor grade than that from
13 which laid off.

Shall receive former
rate in the classification
to which recalled, plus
general increases, if
any.

16 C. A recall under Article
17 Eight, Section 8-A

Shall receive the high-
est rate previously held
in the occupation to
which he/she is being
recalled plus general
increases, if any, or
his/her current rate,
whichever is greater,
but under no circum-
stances shall he/she
receive more than the
maximum rate of the
classification to which
being recalled

1 D. A recall under Article
2 Eight, Section 8-A to a
3 classification which
4 he/she has not previously
5 held, but which he/she is
6 "Capable of Performing,"
7 as a result of being
8 "Capable of Performing"
9 higher classification in the
10 same occupation.

Shall upon recall to the
lower classification in
the subject occupation
receive his/her old rate
in the next higher of the
subject occupation plus
general increases, if
any, or the maximum of
the classification to
which recalled,
whichever is lower.

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iii Recall or Regression

A. A recall or regression to a
classification not previously
held, but which he/she is
deemed "Capable of Per-
forming" as a result of being
"Capable of Performing" a
higher classification in the
same occupation.

Rate shall be deter-
mined by the rate held
in classification used to
deem him "Capable of
Performing" in the new
classification, but under
no circumstances shall
the employee receive
more than the
maximum of the
classification to which
assigned.

IV. Promotion

A. A promotion to the same
classification previously
held.

Shall receive current
rate plus the first
automatic increase on
the effective date of
promotion or his/her
former rate held in the
classification plus
general increases, if
any, whichever is
higher.

NOTE: The above does not apply to "rehires" whose previous
employment period terminated over six (6) years prior
to their "rehire" date.

1			
2		B. A promotion to a	Shall receive current
3		classification not	rate plus the first
4		previously held.	automatic increase on
5			the effective date of
6			promotion or the
7			minimum rate of the
8			classification to which
9			he/she is being
10	V. Reclassification to jobs		promoted, whichever
11			is higher
12			
13	VI. Employees who are rehired		Such rates shall be
14			determined by the
15			Company.
16	VII. New Hires.		
17			Such rates shall be
18			determined by the
19	VIII. A. Starting rate for employees		Company.
20	who are re-employed		
21			Such rates shall be
22			determined by the
23	B. Rate after thirty-five (35)		Company.
24	days for employees who		
25	have been re-employed		Such rates shall be
26			determined by the
27	IX. Supervisors or other		Company
28	employees coming into the		
29	bargaining unit under Article		
30	Eight, Section 6		
31			
32			
33			

1 X. Factory and Technical and
2 Office Labor Grades

In regression where
the Factory Grades
and Technical and
Office labor grade
structures are
involved, the labor
grade number shall
control in determining
whether or not an
employee has been
regressed to a job in
a lower labor grade
for the purpose of
Article Eight, Section
8-A.

12 XI. Loaned Employees

Employees loaned to
a higher classification
will receive their cur-
rent rate, the former
rate held in the classi-
fication to which
loaned, plus general
increases or the
minimum rate of the
classification to which
loaned, whichever is
higher.

22 A. Vacation Relief Assignment

Relief employee's rate
shall not be changed

APPENDIX J

SAFETY AND SANITATION

It is the intent of the Company to continue to maintain a safe and sanitary place to work. The Union may appoint a Safety Committee of not more than six (6) employees as follows:

Three (3) from the first shift

Two (2) from the second shift

One (1) from the third shift

Both the Company and Union recognize their respective obligations to assist in the prevention, correction, and elimination of all hazardous and unhealthy working conditions and practices.

The designated Union Safety Representative shall not suffer any loss in pay from time spent during his or her normal working hours in joint Union-Management discussions of Safety and Health problems or in joint Union-Management investigation of Safety and Health problems or in OSHA walk-around inspections. The Safety Committee person shall be allowed to make independent investigations in conjunction with the guidelines for the Safety and Sanitation Committee's operation.

1 This Committee may meet upon request not
2 more than once each month, with
3 representatives of **Human Resources** to
4 discuss Safety or Sanitation matters as they
5 apply to bargaining unit employees. This
6 Article shall not be subject to the provisions
7 of Article Seven, Section 13.

8
9 The parties mutually agree that a Union
10 Safety Committeeperson and Company
11 Safety Engineer may jointly investigate
12 specific major safety items in conjunction
13 with the guidelines for the Safety and
14 Sanitation Committee's operation. Such a
15 joint investigation may be initiated by the
16 Union Safety Committeeperson calling the
17 Company Chairperson of the Safety
18 Committee requesting that such an
19 investigation be scheduled. The Company
20 will notify the Chairperson of the Union
21 Safety Committee of accidents which result
22 in time lost as well as industrial health
23 problems which might develop into time lost.

24
25 In agreeing to the preceding procedure, the
26 parties recognize that such investigations
27 should be kept to a minimum and agree that
28 if the procedure is abused the parties will
29 meet to reevaluate and revise this agreement
30 as necessary.

2003 CALENDAR

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3							1							1
6	8	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29
														30	31					
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1	2	3						1
6	7	8	9	10	11	12	4	5	6	7	8	9	10	6	7	8	9	10	11	12
13	14	15	16	17	18	19	11	12	13	14	15	16	17	13	14	15	16	17	18	19
20	21	22	23	24	25	26	18	19	20	21	22	23	24	20	21	22	23	24	25	26
27	28	29	30				25	26	27	28	29	30	31	27	28	29	30			
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1	2							1
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20
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27	28	29	30	31			24	25	26	27	28	29	30	28	29	30				
							31													
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
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26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30				
							30													

2004 CALENDAR

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7		1	2	3	4	5	6
4	5	6	7	8	9	10	8	9	10	11	12	13	14	7	8	9	10	11	12	13
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25	26	27	28	29	30	31	29							28	29	30	31			

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3							1		1	2	3	4	5	
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
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25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

JULY							AUGUST							SEPTEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3	1	2	3	4	5	6	7					1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11	
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25	26	27	28	29	30	31	29	30	31					26	27	28	29	30			

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2								1		1	2	3	4		
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17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

2005 CALENDAR

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28						27	28	29	30	31		
30	31																			
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1 2			1	2	3	4	5 6 7					1	2	3 4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
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24	25	26	27	28	29	30	29	30	31					26	27	28	29	30		
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1 2			1	2	3	4	5 6						1	2 3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
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24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	
31																				
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5						1	2 3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
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23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31
30	31																			

2006 CALENDAR

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
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29	30	31					26	27	28					26	27	28	29	30	31	

APRIL							MAY							JUNE							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1		1	2	3	4	5	6						1	2	3
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23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30		
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JULY							AUGUST							SEPTEMBER							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1		1	2	3	4	5								1	2
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23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30	
30	31																				

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4						1	2
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22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						





ists and Aerospace Workers
Industrial District Lodge 776
Maintenance Unit)

